

FBIS

DAILY REPORT

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ZHAO ZIYANG MEETS CHINESE, FOREIGN SCIENTISTS

OW101348 Beijing XINHUA in English 1336 GMT 10 Apr 86

[Text] Beijing, April 10 (XINHUA) -- Premier Zhao Ziyang said here today that China hopes to carry out cooperation with both developing and developed countries for the reform of traditional industry with advanced technology. "There is a big market in this field," he added while meeting the Chinese and foreign participants in the second Beijing International Conference on Science and Technology for National Development, which opened Monday.

He said the strengthening of cooperation between the developed and developing countries in science and technology benefits both sides. He expressed his hope that the developed countries would give preferential treatment to the developing countries in such cooperation.

Referring to North-South and South-South cooperation, Zhao said, there exists not only the problem of an imbalanced international economic order in North-South relations, but also unfair international relations in science and technology. He noted that the changing of this situation would remain an important issue in North-South cooperation.

There is great potential for South-South cooperation, Zhao said. Although the developing countries have different conditions particularly in not being advanced in technology, they have their own advantages. He held that South-South cooperation should be actively promoted while seeking North-South dialogue. Moreover, South-South scientific and technological cooperation would help promote that between the North and South, he added.

The conference is jointly sponsored by the Chinese State Science and Technology Commission and the U.N. Financing System for Science and Technology for Development. Zhao expressed appreciation for the efforts the conference has made in promoting such cooperation among Third World countries. He promised that China would continue its support for the U.N. organization and further cooperation with it.

Rustam D. Lalkaka, director of the U.N. Financing System for Science and Technology For Development, said China's achievements in science and technology scored in such a short period had won his admiration. Despite the differences in scientific and technological development and ideology, he said, the U.N. hopes all countries would frankly exchange views on their achievements and on cooperation in science and technology. That would also benefit world peace, he added.

Song Jian, minister in charge of the State Science and Technology Commission was present at the meeting. The conference will close tomorrow.

NPC VICE CHAIRMAN LIAO HANSHENG MEETS WHO LEADER

OW101312 Beijing XINHUA in English 1232 GMT 10 Apr 86

[Text] Beijing, April 10 (XINHUA) -- Liao Hansheng, vice-chairman of the National People's Congress Standing Committee, met Dr. H. Mahler, director-general of the World Health Organization (WHO), and his party here this afternoon. Liao spoke highly of the aid WHO had given to China and other Third World countries and the work Dr. Mahler had done himself in this regard. The director-general said WHO would continue to cooperate with China. This would benefit both sides, he added. Chinese Minister of Public Health Cui Yueli attended the meeting.

BANKER AT IMF MEETING CALLS FOR ECONOMIC REFORM

LD101344 Beijing XINHUA in English 1940 GMT 9 Apr 86

[Text] Washington, April 9 (XINHUA) -- A senior Chinese bank official today called on the industrial countries to reform their economic policies to create a better environment for the solution of the world's debt problem. Speaking at the interim committee meeting of the International Monetary Fund (IMF) which opened here today, the first deputy governor of the People's Bank of China said major industrial countries should coordinate their economic policies in a way to eliminate fiscal and trade imbalances so as to ensure the stable and sustainable growth of the world economy, a basic condition for resolving the world's debt problems.

He said these industrial countries should roll back protectionism and open their markets to the developing countries, stabilize the prices of primary products on the world market and improve the terms of trade of the developing countries. Besides, he said, the major industrial nations should adopt such concrete measures as the reduction of interest [words indistinct] debtor countries. In addition to this, they should increase financial flows to the debtor countries, either in loans or in grants.

Liu said that it has been the consistent stance of the Chinese Government that "any solution of the debt problem depends on joint efforts by both debtor and creditor countries." The Chinese Government hopes the solution will be based on "mutual accommodation and cooperation, as well as through consultation and dialogue," he said.

On the issue of reforming the current monetary system, Liu said the Chinese Government believes that the present exchange rate system has some serious weaknesses. For example, it creates a high degree of short-term volatility of exchange rates, persistent misalignment of exchange rates among the major currencies and a lack of control over the economic policies of the major currency countries. Therefore, he said, the Chinese Government believes that the proposals for "target zone" and the "objective economic indicators" deserve further in-depth study. The two proposals are designed to contain currency fluctuations within certain limits and any excesses would trigger consultations and [words indistinct] caucus for Asian, African and Latin American developing countries, firmly supports these ideas because the developing countries have been victims of currency fluctuations discouraging domestic investment.

On the present world economic situation, Liu said there are still some "uncertain factors" to the trend of development in general. For example, it is uncertain to project the actual results from the cut in the U.S. fiscal deficit as well as any further changes in the value of the U.S. dollar. The dramatic fall in oil prices contains factors of instability. The trade imbalances among the industrial countries cannot easily be corrected in the short run, and interest rates may fluctuate and rebound because of the continuous U.S. reliance on capital inflows to meet its fiscal and trade imbalance.

The spring meeting of the IMF and the World Bank will last until Friday with debts, aid to developing countries and some proposed institutional reforms on top of the agenda. Finance ministers, central bankers and other senior economic officials of the two organizations' more than 100 member countries have attended the meeting.

FORMER WORLD LEADERS' CONFERENCE ENDS IN JAPAN

OW101755 Beijing XINHUA in English 1658 GMT 10 Apr 86

[Text] Hakone, Japan, April 10 (XINHUA) -- A group of former world leaders gathered here for the fourth conference of the Interaction Council, which ended here today, urged the United States and the Soviet Union to "institutionalize" their dialogue and ease East-West tensions. During the four-day conference, 21 former leaders from 20 countries in Europe, Asia, Africa, Australia and the Americas discussed three main issues the world is facing today -- the tensions in East-West relations caused by arms race, the continuously unstable world economy, and population and environmental problems. Among the participants at the conference were former Federal German Chancellor Helmut Schmit and former Japanese Prime Minister Takeo Fukuda. In a final communique released this afternoon, the council summarized conclusions reached during the conference.

On the subject of world security and peace, the participants welcomed the resumption of Soviet-U.S. negotiations on arms control, and called on the two superpowers to continue and institutionalize their talks, in the hope of obtaining substantial results. Touching on the issue of world economy, the council said that "more substantive steps need to be taken by governments and the international financial system" to solve the world wide debt problem. Council members also called on the United States to reduce its domestic and trade deficits, and recommended that Japan and Federal Germany institute policies to reduce their trade surpluses. The communique also expressed the council's concern about the imbalance between population, environment and development, emphasizing the importance of adopting policies on population and development that meet the real needs of developing countries.

Huang Hua, vice chairman of the Standing Committee of the Chinese National People's Congress who attended in an unofficial capacity, also expressed his views on international political and economic issues during the conference. World security and peace is of great concern to all countries and should not be decided only by the superpowers, he said. Since regional confrontations are closely connected with the intervention and aggression of the superpowers, he added, "it is a precondition for the justifiable and peaceful solution of these confrontations that the superpowers stop their interventions and withdraw all their occupation troops."

MAYOR SAYS FOREIGNERS PROSPERING IN SHENZHEN

OW101300 Beijing XINHUA in English 1105 GMT 10 Apr 86

[Excerpts] United Nations, April 9 (XINHUA) -- Shenzhen Mayor Li Hao said today that there is no contradiction between China stressing export of products made by joint enterprises of China and foreign countries and attracting foreign investment. Mayor Li said that because of low taxes and low labor costs in China as well as its preferential treatment toward foreign investments, the production cost in joint enterprises is comparatively low, and products have a stronger competitive position in the world market. Therefore, foreign capitalists can still profit from investments in China, he added. He said Shenzhen, a town of 20,000 people five years ago, now is a modern city with a population of more than 400,000. Its industrial output value increased from 110 million yuan (rmb) 34.4 million U.S. dollars in 1981 to 2.6 billion yuan (about 812 million dollars) in 1985. Per capita income in the economic zone last year reached 1,000 U.S. dollars. The total investment in Shenzhen in the past five years, he continued, was six billion yuan (about 1.8 billion U.S. dollars), and 26 percent of the investment came from foreign countries.

REAGAN 'INEPT REMARK' AT NEWS CONFERENCE NOTED

OW101535 Beijing XINHUA in English 1430 GMT 10 Apr 86

[Text] Washington, April 9 (XINHUA) -- U.S. President Ronald Reagan, ruling out the possibility of a second U.S.-Soviet summit in Washington in June, said a July date might be feasible. At a news conference tonight, Reagan said if July is not acceptable to the Soviet Union, the summit could be held later. However, he said he will not agree to a summit during the fall because of the U.S. congressional elections. Reagan added that the next best time would be after the elections in November. The United States and the Soviet Union have agreed to hold talks in mid-May to prepare for the second summit. The first meeting between Reagan and Soviet leader Mikhail Gorbachev was in November in Geneva.

Two recent terrorist actions--one the explosion in a U.S. TWA airliner which killed four Americans, the other the West Berlin disco bombing in which one American died and more than 60 American soldiers were injured--were the major topics of the President's news conference. Reagan said the United States has "considerable evidence" that Libyan Leader Mu'ammar al-Qadhafi "has been quite outspoken about his participation in urging on and supporting terrorist acts." But Reagan declined to say whether he has any evidence that Al-Qadhafi is responsible for the latest terrorist incidents. Asked what the real reason why Americans are the prime target of terrorism and whether it could be U.S. policies, Reagan dodged giving a direct answer, but made an inept remark, calling Libyan leader Al-Qadhafi a "mad dog of the Middle East."

Asked if he had given any thought to the number of Americans that might have been killed in the Gulf of Sidra when he ordered U.S. Armed Forces to provoke Al-Qadhafi and if he was prepared to (?escalate the) military confrontation there, the President said it was not a "deliberate provocation." He justified his position as defending the right of free navigation in international waters. Reagan said there are times when people's lives have to be endangered, but not idly and not just for provocation.

Answering a question on whether the United States has made any decision to retaliate against Libya for the alleged terrorist attacks, Reagan said the U.S. is trying to find out who is responsible for the recent terrorist attacks. If "there is identification enough to respond, then I think we will respond."

On another matter, Reagan again called for public support for his request of 100 million dollars in aid to the Nicaraguan anti-government rebels. The U.S. House of Representatives vetoed the aid package, but it was approved by the Senate. The House will vote on it again next week. Reagan said action on the aid "is (?crucial) and we cannot afford further delay. Through its vote next week, the House can show the world that the United States is determined to defend freedom in Central America," he said.

U.S. NUCLEAR TEST USED FOR SDI, MX EXPERIMENTS

OW110728 Beijing XINHUA in English 0703 GMT 11 Apr 86

[Text] Washington, April 10 (XINHUA) -- The United States conducted an underground nuclear test today at the Nevada test site, energy department spokesman Jack Campbell announced. The nuclear test, code named "Mighty Oak", was used in part for a Strategic Defense Initiative experiment to determine the lethality of x-rays produced by the blast, informed sources revealed.

It was also used to see whether the protective covering on warheads for the new MX land-based intercontinental missile and the Trident 2 submarine-launched missile can be penetrated.

The test was scheduled for Tuesday, the day President Ronald Reagan was discussing the next summit with departing Soviet Ambassador Anatoliy Dobrynin. Later, the White House said the test was delayed because of technical problems.

The U.S. decision to continue nuclear testing drew strong reaction from the Soviet Union. Soviet leader Mikhail Gorbachev had said that U.S. test would cause him to order resumption of Soviet nuclear weapons tests. Opponents to the test on Capitol Hill had been calling on President Ronald Reagan to cancel the underground nuclear test, warning that it would cause the Soviets to resume nuclear testing and would accelerate the arms race between the two superpowers.

According to reports in the Washington press, about 200 protesters demonstrated at the gate of the Nevada nuclear testing facility on Tuesday. Six members of Greenpeace, the international environmental group, entered the site in a bid to reach the test area Monday but were quickly arrested. A previous U.S. underground nuclear test was conducted March 22 and led to demonstrations and protests in many cities throughout the country.

XINHUA 'ANALYSIS' ON U.S. DIPLOMACY IN ARAB GULF

OW101701 Beijing XINHUA in English 1523 GMT 10 Apr 86

["News Analysis: Why U.S. Busy in Gulf Diplomacy -- (by Chen Rui-Ning)" -- XINHUA headline]

[Text] Cairo, April 10 (XINHUA) -- U.S. Vice-President George Bush is leaving Muscat of Oman today for Arab Yemen after concluding his visits to three Arab Gulf states -- Saudi Arabia, Bahrain and Oman of the Gulf Cooperation Council (GCC). Prior to his visit to the three Arab states, U.S. Assistant Secretary of State Richard Murphy had just concluded a whirlwind visit to another three GCC states -- Kuwait, United Arab Emirates and Qatar -- before joining Bush in his tour of the Gulf states.

Bush's visit is reportedly aimed at paving the way for U.S. President Ronald Reagan's visit to the region by the turn of the year or in early next year. Such busy U.S. diplomatic activities show the strategic importance the U.S. attaches to the Gulf area in two fields: security and oil-pricing.

The latest Iranian offensive in the prolonged Iran-Iraq war in which the Iraqi port of Faw was captured are perturbing the U.S. administration for protecting its interest in this oil-rich region where crude oil reserves in the six GCC states account for 42.7 percent of the total world reserves. The GCC states themselves are worried about their security as Iranians have come near their doorsteps, but the U.S. offer of its military protection to the GCC states has not met with their warm response.

Both Bush and Murphy have reassured the six GCC states that the U.S. is committed to stabilize the GCC states and is ready to help them protect themselves against a spillover of the war whenever any of them requests. The GCC states, however, while stressing their collective defence effort against any outside aggression, has not explicitly expressed their readiness to accept the U.S. umbrella.

Kuwait daily 'AL-WATAN' quoted an Arab diplomat as saying recently that the GCC nations neither accept the principle of foreign protection nor they intend to solve their problems with Iran by force, because any military action between the Gulf states can only be in the interest of military powers seeking a foothold in the Gulf region.

During Bush's visit to the GCC states, there remained no leaders of these states who explicitly welcomed the U.S. offer. On the other hand, the U.S. has been reluctant to hand over modern sophisticated weapons in large quantities to these Arab states for fear of strong opposition from its staunch ally Israel, but Bush claimed that the U.S. administration would fight to sell arms to Saudi Arabia.

Another issue which prompted such busy U.S. diplomatic activities in the Gulf states is the (?plummeting) of oil prices which fell to about 11 dollars a barrel from 30 dollars a barrel five months ago. While welcoming the sudden fall of oil prices for its oil-consuming industries, the U.S. feared that it might affect the development of its own oil and other energy industries in the long-run. Bush said that excessively low oil prices threaten U.S. security by weakening its domestic industry. It is reported that U.S. oil companies have begun capping domestic wells of marginal profitability and cut back on exploration in Alaska.

During his stay in Saudi Arabia, Bush reportedly made clear to King Fahd that Saudi interests and U.S. interests are not identical with regard to oil pricing. Bush claimed that he had not come to the Gulf states to ask them to cut oil output, but he did meet oil ministers of these states during his visit.

It seems that Bush is on a mission of probing what will be the next step of the oil-producing Gulf states to cope with the falling prices rather than persuade them to reduce oil output.

LI PENG MEETS U.S. ARMY DELEGATION 10 APR

OW101207 Beijing XINHUA in English 1200 GMT 10 Apr 86

[Text] Beijing, April 10 (XINHUA) -- Vice-Premier Li Peng met here today a delegation from the U.S. Army Corps of Engineers led by Assistant Secretary of U.S. Army Robert Dawson. Li exchanged views with the visitors on bilateral cooperation in utilizing water resources. The delegation arrived here Monday at the invitation of the Chinese Ministry of Water Resources and Electric Power. During its stay here, the delegation and the Chinese Ministry signed a Protocol on Scientific and Technological Cooperation in utilizing water resources. The visitors will also travel to Nanjing and Shanghai.

USSR ANNOUNCES SHULTZ-SHEVARDNADZE MEETING

OW110236 Beijing XINHUA in English 0230 GMT 11 Apr 86

[Text] Moscow, April 10 (XINHUA) -- The Soviet Union announced today a planned meeting between Foreign Minister Eduard Shevardnadze and U.S. Secretary of State George Shultz in mid-May without mentioning the issue of the next superpower summit. The government daily "IZVESTIYA" said the two men would continue "the exchange of views on questions connected with Soviet-American relations and topical international problems." The official news agency TASS confirmed the meeting in a terse one-paragraph statement.

Shultz announced agreement on the meeting two days ago and said he and Shevardnadze would be discussing preparations for the summit due to be held later this year.

Soviet leader Mikhail Gorbachev and U.S. President Ronald Reagan agreed at their first summit last November to meet again this year in the United States and next year in the Soviet Union. The agreement on a Shultz-Shevardnadze meeting was reached during 75 minutes of talks between Reagan and outgoing Soviet Ambassador to Washington Anatoliy Dobrynin on Tuesday. Dobrynin was recently elevated to the Secretariat of the Soviet Communist Party Central Committee.

TASS 'STRONGLY' CONDEMNS U.S. NUCLEAR TEST

OW110722 Beijing XINHUA in English 0639 GMT 11 Apr 86

[Text] Moscow, April 10 (XINHUA) -- The official Soviet news agency TASS strongly condemned a U.S. nuclear test in the Nevada desert today and said the blast "completed another period in the history of efforts for a comprehensive nuclear test ban." TASS said the explosion attests to "Washington's moral and political weakness and its unwillingness to take the first step to bridling the arms race for the next five years."

"The latest U.S. blast made it clear that Washington, contradicting the joint Soviet-U.S. statement issued after last November's summit (between Ronald Reagan and Mikhail Gorbachev), is still chasing the illusion of military superiority," the agency added. It continued: "Obsessed with the futile dream of achieving military-strategic superiority over the Soviet Union, Washington proclaims its intention of continuing to carry out its program of nuclear testing, to upgrade existing systems of weapons of mass destruction and to create new such systems."

TASS said the test, the second by the United States this year, cast doubt on the U.S. administration's reliability as a partner in negotiations. According to TASS, the United States has already conducted 648 officially announced nuclear tests since 1951.

The Soviet Union first declared a unilateral moratorium on its nuclear tests last August. It has extended the ban twice this year but said that it would be forced to resume tests after the U.S. explosion. Earlier, the Soviet leader Mikhail Gorbachev said: "There is nothing that the United States can do and we cannot." Observers here said that the Soviet Union might end its moratorium on nuclear testing later.

RENMIN RIBAO ON USSR'S SCIENTIFIC DEVELOPMENT

HK100755 Beijing RENMIN RIBAO in Chinese 6 Apr 86 p 6

["Foundup" by Fang Xuan: "The Soviet Union Accelerates its Scientific and Technological Development"]

[Text] This is the first year of the Soviet Union's 12th 5-Year Plan. From now until the year 2000, the Soviet Union plans to increase its national income and industrial output value by 100 percent and its social labor productivity by 130 to 150 percent. To realize this objective, the 27th CPSU Congress stressed the strategic principle of accelerating the social and economic development of the country, attaching much importance to scientific and technological progress. In his political report to the Congress, Gorbachev, general secretary of the CPSU Central Committee, emphasized that "the solution lies in carrying out a deep-going transformation of the national economy, relying on the most advanced scientific and technological achievements, including new breakthroughs, and reforming the economic mechanism and management system."

In the Soviet Union, accelerating scientific and technological progress is truly a matter of extreme urgency. While summing up previous "mistakes" and "inertia," Gorbachev pointed out in his speech that in the 1970's, the economic growth rate had obviously declined; at the beginning of the 1980's this tendency to decline did not improve, but instead took a turn for the worse. In the early 1970's, the Soviet economy was faced with the problem of insufficient manpower and a shortage of raw materials and fuels, and about 90 percent of its national income was attained by boosting labor productivity. The economy, therefore, had to be changed from extensive to intensive development.

However, though the intensive production tasks were established, they were never carried out; the growth rates of productivity coming from the main labor, which can reflect the extent of intensive production, dropped from 4.4 percent during the 9th 5-Year Plan period to 2.2 percent between 1981 and 1982. As the emphasis in investments was still on newly-built enterprises, renewal and technical transformation of equipment in old enterprises were neglected. This resulted in outdated machines. The output and quality of products were thus seriously affected.

To accelerate scientific and technological development, first of all, it is necessary to mobilize and bring into play the forces of scientific and technical personnel. As we all know, the Soviet Union has a large and rather strong contingent of scientific and technological personnel. However, they have serious problems implementing their research achievements. For example, some important inventions were not made use of in the practical sense for long periods of time. Due to numerous ill-coordinated departments, even the examination and approval of patent right applications took several years. This process becomes a miserable experience.

To accelerate scientific and technical developments, last June the Soviet Union called a meeting to study this strategy. They proposed a series of principles for reforming economic mechanisms and accelerating the development of science and technology. The 12th 5-Year Plan, which starts this year, has also specified some practical measures aimed at developing the economy in the direction of intensive production and increased quality and efficiency.

Changing investment policies and readjusting the investment structure were important measures adopted by the Soviet Union to accelerate its scientific and technological progress. The Soviet Union has presently shifted the focal point of its investments from newly-built enterprises to the technical transformation of existing enterprises. Investments in this respect have been increased from one-third to one-half of the total capital construction funds.

It is believed that the machine-building industry has played a key role in realizing the scientific and technological revolution. In his report to the 27th Congress, Nikolay Ryzhkov, Chairman of the USSR Council of Ministers, said: "One of the important features of the 12th 5-Year Plan is the sharp increase in investments in those combines which embody the achievements of scientific and technological progress in the machine building industry." The Soviet Union plans to replace one-third of its production equipment by the end of the 12th 5-Year Plan period with advanced technological equipment.

The Soviet Union plans to establish inter-departmental scientific and technological production combines to eliminate the disparity between its scientific research and production. To integrate science, technology, and production, the Soviet Union has set up the first batch of 16 inter-departmental scientific and technological combines, so as to join together scientific research, design, and technology components, along with experimental units of departments, thus insuring that scientific research attains high levels in terms of resources.

The Soviet leaders have pointed out that to accelerate scientific and technological progress, it is necessary to "fundamentally change attitudes toward technical cadres and technological research cadres" and, most important, to emphasize this point in terms of material treatment. The USSR's current set-up for technical cadres was established some 30 years ago. It no longer suits the needs of today's scientific and technological development. The "decision regarding better pay for scientific workers, engineers, and technicians," which was enacted last year, has begun to be put into practice this year.

Though the universities and institutes of higher learning in the Soviet Union have 35 percent of the country's scientific and technological personnel, their roles have not been brought into full play. Therefore, effectively tapping and making use of their potential is important to the acceleration of their scientific and technological progress.

To accelerate scientific and technological development, new subjects are being taught in the USSR. For example, training of future scientific and technological workers, and enabling students to learn about and master computers are all regarded as urgent tasks.

In his report to the 27th Congress, Gorbachev pointed out that progress in science and technology "will have a great impact on everything as well as its contradictions happening in the world." Accelerating scientific and technological development in the Soviet Union is therefore a most important element in the Soviet Union's plan to step-up its economic development in the future.

ZHAO ZIYANG WELCOMES BURMESE PRIME MINISTER

OW110810 Beijing XINHUA in English 0750 GMT 11 Apr 86

[Text] Beijing, April 11 (XINHUA) -- Visiting Burmese Prime Minister U Maung Maung Kha was welcomed at a ceremony presided over by Chinese Premier Zhao Ziyang here this afternoon. The Burmese prime minister and his party arrived at the plaza east of the Great Hall of the People in the company of Wang Tao, chairman of the Chinese Government Reception Committee and minister of petroleum industry.

The Chinese premier stepped forward to shake hands and exchange greetings with the visitors as they arrived. The ceremony began with a 19-gun salute amid the national anthems played by a military band. Accompanied by Zhao, the Burmese prime minister reviewed a guard of honor formed by men of the three services of the Chinese People's Liberation Army. Youngsters in colorful dresses danced their welcome to the visitors.

Among those present at the ceremony were Wang Bingqian, state councillor and minister of finance, Wu Wenying, minister of textile industry, and senior Burmese officials accompanying U Maung Maung Kha on his visit.

After the ceremony, the Chinese premier and the Burmese prime minister began talks in the hall. U Maung Maung Kha and his party arrived here this morning from Kunming. They will be honored at a banquet given by the Chinese premier here this evening.

MORE CIVIL AVIATION COOPERATION WITH BURMA SOUGHT

OW111033 Beijing XINHUA in English 0841 GMT 11 Apr 86

[Text] Beijing, April 11 (XINHUA) -- China wants to develop further its civil aviation cooperation with Burma and friendship between the two countries, said a high-ranking Chinese official today. In a message to Col Tha Tun Aye, Burmese director general of Department of Civil Aviation, Hu Yizhou said contacts should be enhanced. Hu, director general of Civil Aviation Airline of China, sent the message to mark the 30th anniversary of air service between the two countries. The Chinese civil aviation airline officially opened air service from Kunming, a city in southern China, to Mandalay and Rangoon in Burma on April 11 1956.

PHILIPPINES' LAUREL OUTLINES FOREIGN POLICY

OW101350 Beijing XINHUA in English 1237 GMT 10 Apr 86

[Text] Manila, April 10 (XINHUA) -- Vice-President and Foreign Minister Salvador Laurel stressed here today that the Philippines will pursue a policy of "genuine independence in foreign affairs." In the first comprehensive statement on foreign policy he has made since the new government assumed office last February, Laurel said, "While the Philippines is bound by the terms of existing military agreements with the United States, including American use of two military bases on its soil, it is committed to a policy of genuine independence in foreign affairs." He made the statement at a luncheon forum sponsored by the Philippine Council for Foreign Relations, a multi-sectoral group of foreign relations experts.

"The era of military alliances is still very much with us, and it would be naive for us to assume that the nuclear age has rendered such alliances unnecessary," Laurel said. "But," he added, "the Philippines must continue to support alternative arrangements for keeping the peace: the United Nations and its agencies, the association of Southeast Asian Nations (ASEAN), and the group of non-aligned states."

He emphasized the importance of expanding economic relations with foreign countries. "In this context," he said, "We shall pay special attention to our relations with our two principal economic partners, the United States and Japan". He went on to say that the government proposed to establish joint ministerial groups or commissions to study appropriate recommendations concerning its relations with these countries. "A similar review will be undertaken of our relations with the other countries of Asia and the Pacific, with Australia, Canada and New Zealand, Western Europe and Scandinavia, Latin America and Africa, and the socialist states," he said.

Laurel also pointed out that the government "will strengthen our links with the developing countries of the Third World." "Our instinctive loyalty is to the poor and the wretched of the earth," he said, adding "This will be a major determining factor in conduct of our foreign relations."

He enumerated the relevant tasks to which the government will accord priority in the months ahead:

- Negotiations and conclusion of bilateral and multilateral agreements covering economic, financial and technical assistance from all sources abroad;
- Encouragement of foreign capital investments in the Philippines;
- Pinpointing specific technology needed abroad;
- Assistance to Filipino businessmen to enable them to sell more of their goods and services abroad; and
- Protection of the export markets of Philippine industries by making representations to foreign governments and international bodies to eliminate or reduce all forms of foreign protectionism, specifically tariff and non-tariff barriers imposed on Philippine goods and services.

LIAOWANG ON SRV'S REJECTION OF CGDK PROPOSAL

HK091252 Beijing LIAOWANG in Chinese No 13, 31 Mar 86 p 8

[Article by Tang Tianri: "Where Is Vietnam's Sincerity?"]

[Text] The Coalition Government of Democratic Kampuchea [CGDK] advanced an eight-point proposal on the political solution of the Cambodian issue on 17 March. This proposal has opened a rational and feasible way for solving the Cambodian issue, and has won the admiration and support of ASEAN, the PRC, Japan, and many other countries, but was turned down by the Vietnamese authorities.

The eight-point proposal was unanimously reached through long preparations and negotiations among the three parties of the coalition government at a cabinet meeting. It fully demonstrates the wishes of the coalition government and the Cambodian people for an early end to Vietnam's aggression and the struggle for their motherland's independence and the restoration of peace. It also shows the further consolidation of the three parties in the coalition.

The eight-point proposal was advanced at a time when the tripartite armed forces of the coalition had scored a series of victories fighting deep in the hinterland. During the eighth dry season since the Vietnamese Army invaded Cambodia, the armed forces of the coalition not only unfolded guerrilla warfare on the chief battlefield around Tongle Sap, but conducted battles in the neighborhood of Phnom Penh and east of the Mekong River.

They severed transportation and supply lines, attacked important strongholds, demolished supply bases, and disintegrated Heng Samrin's local governments. It is reported that the armed forces of the coalition caused the enemy greater casualties in this dry season than in any previous year.

The eight-point proposal is rational and generous. The Cambodian issue is the consequence of Vietnam's invasion of Cambodia. This aggressive war, lasting more than 7 years, has brought unprecedented disasters to the Cambodian people. The eight-point proposal made the sole demand that Vietnam talk with the tripartite [CGDK] about a schedule for the Vietnamese withdrawal from Cambodia, allowing them to complete a two-phase withdrawal within a stipulated time. The Heng Samrin government was originally the offspring of the Vietnamese aggressive war, a puppet born under Vietnam's bayonets. In the spirit of great national unity and national reconciliation, the proposal says that as soon as Vietnam completes the first phase of its withdrawal, Heng Samrin and his group will participate in talks with the CGDK on the preparations for organizing a four-party coalition government headed by Norodom Sihanouk, with Son Sann as the premier, and that all four forces will have the right to be a political force in Cambodian society. The proposal reaffirms that Cambodia is an independent state, unified within the realm of its own integrated territory, a state enjoying freedom and democracy, peace, neutrality, nonalignment, and a state without any foreign armies. It also expresses the willingness to sign a peace and nonaggression treaty with Vietnam, and that the two nations will always coexist in harmony and peace hereafter.

The proposal conforms to the spirit of all resolutions adopted by UN General Assembly in the past as well as the declaration of the international conference on Cambodia. Solving the Cambodian issue based on the CGDK proposal will be favorable to the Cambodian people as well as Vietnam, and will aid peace and stability in Southeast Asia area.

The Vietnamese authorities have repeatedly expressed the need for a political solution to the Cambodian issue; but when the CGDK expressed its sincerity for a political solution, they flatly turned down the eight-point proposal, and attacked it arbitrarily. People cannot help asking: Where is Vietnam's sincerity? In the final analysis, the Vietnamese authorities are not willing to withdraw their army from Cambodia, are still denying Cambodia's right to self-determination, and are opposing Cambodia's national unity and reconciliation in an attempt to place Cambodia under its occupation forever, turning it into Vietnam's base for expansion in Southeast Asia.

Peace is the demand of our times, as well as the common wish of the world's people. The eight-point CGDK proposal conforms to this demand and wish. Vietnam's unreasonable refusal of the eight-point proposal runs counter to this demand and wish, and it will find that this does not pay in the end.

WARSAW PACT APPEALS FOR EUROPEAN NUCLEAR-FREE ZONES

OW090926 Beijing XINHUA in English 0739 GMT 9 Apr 86

[Text] Moscow, April 8 (XINHUA) -- The Warsaw Treaty countries today issued an appeal to European countries, the United States and Canada for "energetic action" to create nuclear arms-free zones in Europe, specifically in northern Europe, the Balkans and the NATO-Warsaw Pact "corridor".

The appeal, released by the Bulgarian Foreign Ministry and transmitted by the official Soviet news agency TASS today, says that "the U.S.S.R., resolutely supporting the establishment of nuclear-free zones in Europe, expressed its readiness to provide adequate guarantees for such zones and expects the United States, Britain and France to take a similar attitude."

It notes that the Warsaw Treaty member countries support the efforts to establish nuclear-free zones in northern Europe and in the Balkans.

Member states also support the proposal put forward by Sweden to set up a "corridor free of battlefield nuclear weapons" "along the line of contact between the Warsaw Treaty countries and the NATO states," the appeal says, adding that "to make the corridor more efficient, it should be expanded on both sides of the line of contact depending on the tactical and technological characteristics of those weapons. The establishment of the corridor could begin in central Europe."

The appeal holds that the United States and the Soviet Union should not deploy nuclear weapons in European nations that do not have them and not pile up more nuclear weapons or modernize them in those countries which already possess them.

Meanwhile, the Soviet Foreign Ministry spokesman Vladimir Lomeyko told a press conference that the appeal is linked to Soviet leader Mikhail Gorbachev's January 15 plan for a three-stage elimination of nuclear weapons by the end of the century, he added there was no connection between the appeal and the imminent U.S. nuclear test in Nevada.

FURTHER REPORTAGE ON VISIT BY POLISH AGRICULTURAL GROUP

Received by Jilin Governor

SK080552 Changchun Jilin Provincial Service in Mandarin 2200 GMT 7 Apr 86

[Text] On the evening of 7 April, Gao Dezhan, governor of Jilin Province, cordially received all members of the Polish agricultural delegation, headed by Stanislaw Zieba, minister of Agriculture, Forestry, and Food Industries, as well as Zbigniew Dembowski, Polish ambassador to China. Gao Wen, vice governor of Jilin Province, also attended the reception.

During the reception, Gao Dezhan extended a warm welcome to Stanislaw Zieba and his entourage. In a comradely and friendly atmosphere, the guests and the host reviewed in common the cooperation organized in the agricultural sphere by the two countries and unanimously pledged to help promote the friendship and strengthen the agricultural cooperation and exchanges between the two countries.

Also present at the reception were (Zhou Beichang), director of the provincial Agriculture Department; and Zhu Wengu, vice chairman of the provincial Foreign Affairs Office. After the reception, the guests and the host posed together for a photograph. Afterwards, Governor Gao Dezhan gave a banquet at the Nanhua Guesthouse in honor of all members of the Polish agricultural delegation and other Polish guests.

Leaves For Beijing

SK100308 Changchun Jilin Provincial Service in Mandarin 1030 GMT 9 Apr 86

[Text] Having satisfactorily concluded its friendly visit to our province, the 9-member Polish agriculture delegation, headed by Stanislaw Zieba, minister of Agriculture, Forestry, and Food Industries, left Changchun for Beijing by plane this morning. During the visit, the delegation was accompanied by (Li Runpei), deputy director of the foreign affairs department under the Ministry of Agriculture, Animal Husbandry, and Fishery of China. Seeing the delegation off at the airport were Gao Wen, vice governor of the province; (Zhou Beichang), director of the provincial Agricultural Department; and Zhu Wenyu, vice chairman of the provincial Foreign Affairs Office. Zbigniew Dembowski, Polish ambassador to China, also left Changchun for Beijing by the same plane.

During its sojourn in the province, the delegation, accompanied by Vice Governor Gao Wen, visited the Changchun Tractor Plant, the (Zuoja) special products research institute under the Academy of Agricultural Sciences, and the Changchun Department Store, as well as (Shangtai) village in Changchun's (Fenji) township.

The delegation praised the province's achievements in the rural economic structural reform, and exchanged opinions with the province's pertinent departments concerning ways to further strengthen technical exchanges and economic cooperation between the two sides.

Minutes on Talks Signed

OW092126 Beijing XINHUA in English 1907 GMT 9 Apr 86

[Text] Beijing, April 9 (XINHUA) -- The minutes of talks between He Kang, Chinese minister of agriculture, animal husbandry and fisheries, and Stanislaw Zieba, Polish minister of agriculture, forestry and food industry, were signed here tonight.

Polish Ambassador to China Zbigniew Dembowski attended the signing ceremony at the Polish Embassy.

The minutes set a high value on the achievements the two sides scored in 1985 in exchanges covering fruit trees, bee-breeding, ornamental plants and sugar beet.

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It pointed out that the two sides would expand the supply of varieties of agricultural products and scientific and technological cooperation.

The two ministers said after the ceremony that the prospects for agricultural cooperation between the two countries are very broad. They believed that the minutes would help promote such cooperation.

Zieba and his party returned to Beijing this afternoon after winding up a visit to northeast China's Heilongjiang and Jilin Provinces, where they had visited a tractor manufacturing plant, a research institute under the Chinese Academy of Agricultural Sciences and some village-run enterprises.

Meeting With Tian Jiyun

OW101122 Beijing XINHUA in English 1114 GMT 10 Apr 86

[Text] Beijing, April 10 (XINHUA) -- Chinese Vice-Premier Tian Jiyun met here this afternoon with an agricultural delegation from Poland led by Stanislaw Zieba, minister of agriculture, forestry and food industry.

Minister of Agriculture, Animal Husbandry and Fisheries He Kang was present on the occasion.

The delegation, which arrived in China April 3, has visited Heilongjiang and Jilin Provinces and exchanged views with the relevant Chinese departments on expanding agricultural cooperation between the two countries. The guests are going to leave for home tomorrow.

BULGARIAN COMMUNIST PARTY REPORT REVIEWS PAST WORK

OW061614 Beijing XINHUA in English 1448 GMT 6 Apr 86

[Text] Sofia, April 6 (XINHUA) -- The major task set for the Eighth Five-Year Period (1981-1985) has been fulfilled despite the failure to attain some major targets, according to the Central Committee of the Bulgarian Communist Party's Report, issued here today after its 13th Congress. The report, adopted at the closing session of the party's four-day meeting yesterday, said that the socio-economic development plan for the past five years has been fulfilled "in its entirety" despite "unfavorable natural and climatic conditions" during the past two years. Now an intensification of the economy is under way, the report added.

The report, which reviews the party's work over the past five years, said during that period, the national income registered a 29 percent increase over the previous corresponding period, and labor productivity grew by 18.3 percent.

However, the document admitted that the economy had fallen short of certain major targets for the 1981-1985 period due to persistent drought, a bitter winter and unfavorable international economic conditions. The lack of consistent implementation of the "economic mechanism" which failed to work effectively and the flaws in planning also contributed to the poor economic performance, it said.

Dealing with the reform-oriented scientific and technological progress, the report underlined the need to accelerate scientific and technological advances and improve the style and methods of leadership in economic work. One of the major achievements in the party's work between the 12th and 13th Congresses, it said, was the preparation of an overall plan for the scientific and technological revolution to be carried out in Bulgaria. The party has made great strides in developing the country's use of the most up-to-date methods in science and technology. But, the report complained, there was little progress in improving the quality of products, which was far from satisfactory. The document also attacked the bureaucracy for inhibiting people's initiative.

"We are just at the beginning of scientific and technological progress and many problems remain to be solved," the report said. First of all, it added, management of scientific and technological work must be improved, and self-governing organizations should become more interested in everything related to science and technology. To meet this, the report stressed the need of restructuring economic management.

The pricing system was singled out as an area where reforms must be made to reduce the influence of bureaucracy and subjectivism. What is more, the report called for replacing and modernizing existing industrial technologies.

On the international situation, the summary said the threat of a new world war has increased on an unprecedented scale and that mankind is now on the threshold of nuclear devastation. It lashed out at the United States Strategic Defense Initiative, known as "star wars". That program, it said, if put into effect, will send the arms race out of control and turn the present strategic equilibrium into strategic chaos. The report described the military balance between the Soviet Union and the United States, and between the Warsaw Pact and NATO Alliance as a "guarantee of world peace and security."

The report firmly supports Soviet leader Mikhail Gorbachev's January 15 proposals for ridding the world of nuclear weapons by the year 2000 as an "encouraging and realistic program of action in the interest of all mankind." The party's report reaffirmed that the principle of cooperation, friendship and all-around closeness with the Soviet Communist Party underlies Bulgaria's foreign policy and its participation in the Council for Mutual Economic Assistance and Socialist Economic Integration remains to be of vital importance to the country's socio-economic development. Bulgaria is ready, the report noted, to increase bilateral relations with China and to cooperate with it in the struggle for peace against imperialism.

The Congress supports the proposal by Bulgaria and Romania for turning the Balkans into a nuclear and chemical weapons-free zone. Bulgaria is prepared to discuss with other Balkan states at any time and at any level all points of the proposal. As the first step toward this end, Balkan states should sign bilateral accords on the non-use of force and peaceful settlement of disputes threatening the peace and security of the region, the report said. The report also declared Sofia is prepared to continue political dialogues at various levels with the majority of developed capitalist countries and maintain existing economic and other links with those nations.

GU MU ON OPEN POLICY, SPECIAL ECONOMIC ZONES

OW110022 Beijing XINHUA Domestic Service in Chinese 1421 GMT 10 Apr 86

[By reporter Li Shangzhi]

[Text] Beijing, 10 Apr (XINHUA) -- State Councillor Gu Mu, who had just returned from an inspection tour of several coastal open cities and special economic zones early this month, told more than 100 Chinese and foreign reporters today: China made greater achievements in opening to the outside world in 1985 than any previous year, and foreign investment in China in 1985 was the largest of all years. Foreign business people last year signed contracts with China involving a total of \$5.85 billion, 120 percent more than the 1984 figure. More than 1,300 Sino-foreign joint ventures were set up in China last year, equalling the total of the previous 5 years.

Zeng Tao, deputy secretary general and spokesman of the Fourth Session of the Sixth NPC, held the NPC session's fourth press conference at the Anhui Room of the Great Hall of the People this morning. At the press conference, Gu Mu spent nearly 2 hours answering more than 20 questions from Chinese and foreign reporters regarding China's opening to the outside world and special economic zones.

Some reporters asked Gu Mu to discuss the situation of the 14 coastal cities since they were opened to the outside world. Gu Mu said: Since the 14 coastal cities opened to the outside world, the situation of their development has been very good. In order to stop sharp increases in capital construction projects and credit loans and to correct misuse of foreign exchange, since early 1985 China has adopted a series of measures to tighten macroeconomic control. Such measures are completely correct. In such a situation, the work of opening to the outside world of course encountered some difficulties, and the difficulties were also shown in the open cities. The difficulties have been basically overcome, thanks to the efforts of the provinces, cities, and prefectures concerned, and measures successively adopted by the state departments concerned.

When asked about the situation of the special economic zone and open city in Fujian Province, Gu Mu said he visited Fujian not long ago. He thought that great achievements had been made in both the construction of the Xiamen Special Economic Zone and in the development of Fuzhou into an open city.

Some reporters asked Gu Mu to comment on the situation of the Shenzhen Special Economic Zone. Gu Mu said: Among China's several special economic zones, the development of Shenzhen is the most rapid, providing our country with new experience in economic management and in earning foreign exchange through export trade. In spring of 1985 we asked the comrades in Shenzhen to put the work of improving economic efficiency and earning more foreign exchange through export trade above all else, and not to expand the scope of capital construction. During the past year they have made new progress in these areas. Shenzhen's total industrial output value in 1985 was 40 times that of the year immediately preceding its becoming a special economic zone. Its 1985 industrial products export nearly doubled the 1984 volume. Exports accounted for 43 percent of its total sales in 1985, as opposed to 33 percent in 1984.

Some reporters asked: While China requires its special economic zones to develop an export-oriented economy, what problems has Shenzhen encountered in this respect? Someone says that Shenzhen has earned money from China's interior areas. Do you have any comments on this point?

Gu Mu answered: Shenzhen is not without difficulties in developing an export-oriented economy and in making more contributions to the state by earning more foreign exchange through export trade. However, taking the situation as a whole, if the special economic zones cannot develop an export-oriented economy and make more contributions by earning foreign exchange through export trade, it will become meaningless to have them. Therefore, we have been determined to help them improve their work, raise their level of management and technology, and gradually develop an export-oriented economy.

He said: In the last few years, the special economic zones have done very good work in developing lateral cooperation at home. They export semi-finished products from many interior areas after in-depth processing. Inland provinces and cities have known more of the international market through cooperation with the special economic zones. For this reason, many inland provinces and cities and their industrial departments want to set up windows in the special economic zones and regard the zones as their forward position for developing export trade. This is a very normal thing.

Gu Mu said: Someone says that Shenzhen has earned money from the interior, or the south has earned money from the north, I do not think so. Some products of Shenzhen and other special economic zones have satisfied the demands of domestic market, just as the products of Beijing and Shanghai have satisfied domestic demand. It was unavoidable that the foreign exchange earnings of Shenzhen were fairly low in past few years. It needs time to develop an export-oriented economy and increase export. As the original industrial foundation of Shenzhen was so weak, it is impossible to turn its economy into a completely export-oriented economy in 3 or 5 years.

After Zeng Tao announced at noon that the press conference was over, some reporters still surrounded Gu Mu and kept asking questions. Gu Mu said: The policy of opening to the outside world is a basic policy of our country laid down since the 3d Plenary Session of the 11th CPC Central Committee. It has actively promoted China's economic construction. China will continue this policy unswervingly. We have sufficient confidence in creating a new situation from our opening to the outside world.

Aid to Joint Ventures

OW101028 Beijing XINHUA in English 1001 GMT 10 Apr 86

[Text] Beijing, April 10 (XINHUA) -- The Chinese Government will work hard to help Sino-foreign joint ventures overcome their difficulties and make them successful in accordance with law, State Councillor Gu Mu said here today.

Speaking to Chinese and foreign reporters, the Chinese state councillor said it is necessary for China to institute the import license system according to its own conditions. But, he stressed, China will carry out all contracts it has signed with foreign firms and businessmen.

He promised that the use of import licenses will not bring difficulties to Sino-foreign joint ventures applying for them. China will simplify as much as possible the procedures for applying and granting import licenses, he added.

What is to be imported as stipulated in contracts already signed may still be imported, Gu Mu said. The Chinese state councillor said that the number of Sino-foreign joint ventures established in China is still not great, and the Chinese Government will help them overcome difficulties whatsoever and make the ventures successful.

3 SEZ Currencies Ruled Out

OW101100 Beijing XINHUA in English 1041 GMT 10 Apr 86

[Text] Beijing, April 10 (XINHUA) -- China plans to change the situation of simultaneous circulation of three kinds of currencies in Shenzhen Special Economic Zone, Chinese State Councillor Gu Mu revealed here today. Speaking to Chinese and foreign reporters, Gu Mu said the circulation of renminbi, Foreign Exchange Certificate and Hong Kong dollar at the same time in Shenzhen has proved disadvantageous to China. Originally, Gu Mu said, the Chinese Government intended to issue a SEZ currency to solve the problem. but there were pros and cons over this "very complicated" question.

Besides, he added, other special economic zones and open coastal cities might face the same problem. "Therefore, we must be very cautious and have decided to solve the problem later," he said, adding that China would consult both Chinese and foreign specialists before making the final decision.

Asked about the new Shenzhen SEZ control enclosure, he said, the commission of the enclosure will not affect the economic and personnel exchanges between Shenzhen and other parts of the country. Naturally, certain procedures are required, but there won't be any restrictions on all legitimate activities. Earlier reports said that there have been more entries and exits through Shenzhen since April 1 when the 86-kilometer-long control line was commissioned.

ULANHU AT NEI MONGGOL NPC DEPUTIES' DISCUSSION

OW110807 Beijing XINHUA Domestic Service in Chinese 1742 GMT 10 Apr 86

[By reporter Hu Qiunian]

[Text] Beijing, 10 Apr (XINHUA) -- Ulanhu, NPC deputy and vice president of the PRC, attended a group discussion of the Nei Monggol delegation to the Fourth Session of the Sixth NPC this morning. He said: People of all nationalities are full of confidence in fulfilling the goal of quadrupling the gross industrial and agricultural output value before the end of this century, and they are trustingly united around the CPC in contributing their share to the Seventh 5-Year Plan.

Endorsing Premier Zhao Ziyang's report concerning the Seventh 5-Year Plan and other reports, Ulanhu said: Approval of the Seventh 5-Year Plan is the central task of the current session. The great achievements scored in China's economic development during the Sixth 5-Year Plan prove that the line, principles, and policies formulated since the 3d Plenary Session of the 11th CPC Central Committee have been correct and that the road we embarked on to build socialism with Chinese characteristics has been successful. He expressed confidence that through exerting ourselves, we will surely be able to fulfill or probably overfulfill the Seventh 5-Year Plan under deliberation at the current NPC session.

Ulanhu said: During the Sixth 5-Year Plan, the livelihood of all minority nationalities has greatly improved, and some of them have become prosperous. However, progress has been uneven in different regions. In some places, poverty continues, and people still do not have enough to eat and wear. He proposed the following opinions for improving work in areas inhabited by minority nationalities.

1) It is necessary to gradually reduce the gap between areas inhabited by minority nationalities and advanced areas along with the trend of shifting the focus of national construction westward. 2) It is necessary to persistently make reforms and adhere to the open policy at home and abroad. 3) It is necessary to eliminate poverty in some areas as quickly as possible, especially to ensure the people there have enough to eat and wear. Aside from providing necessary assistance and subsidies, the state must, more importantly, soberly assess local conditions and adopt practical and effective measures to promote production. 4) It is necessary to devote more attention to culture and education, a great undertaking having a vital bearing on national prosperity and development. Only with skilled personnel is it possible to make advances in construction. 5) Although it is entirely correct to make the contingent of cadres younger in average age, better educated, and more professionally competent and revolutionary during the structural reform, it is also necessary to pay keen attention to the nationalities represented by cadres in areas inhabited by minority nationalities. Linked to local people by natural bonds, minority nationality cadres are playing an irreplaceable role. 6) It is necessary to improve the legal system and conduct legal education. The law of autonomy for areas inhabited by minority nationalities is one of China's basic laws, which must be studied and observed by people of all nationalities and enforced by local autonomous governments, as well as by state organs at higher levels, including all provincial-level and State Council departments.

Ulanhu urged Nei Monggol Autonomous Region to optimally utilize local advantages and renew efforts at developing agriculture, animal husbandry, industry, transport, culture, and education in order to use natural resources to obtain economic superiority and to contribute its share to fulfilling the Seventh 5-Year Plan.

NPC PROPOSES FOREIGN OWNERSHIP OF ENTERPRISES

OW110922 Beijing XINHUA in English 0857 GMT 11 Apr 86

[Text] Beijing, April 11 (XINHUA) -- China may soon ease requirements for foreign investors who want to wholly own Chinese enterprises, XINHUA learned today. Part of a proposed foreign investment law, these and other changes were made at the suggestion of deputies to the ongoing National People's Congress (NPC) here. Both the NPC Law Committee and the NPC Presidium have called for their approval at Saturday's plenary session.

Under current draft, only foreigners who both bring advanced technology to China and agree to generate foreign exchange by exporting most of what they produce are allowed to establish enterprises entirely with foreign capital. The change would allow foreigners to wholly own enterprises that either introduce advanced technology or primarily produce goods for export. The revised draft law also protects entirely foreign enterprises from nationalization. In case of requisition in emergencies, compensation will be provided for.

Also in line with deputies' suggestions, the Presidium recommended approval of the revised draft of the new civil code general principles that clarify responsibilities for debts within rural collectives and households. And the Presidium recommended the revised draft of a new law on compulsory education. It says that the teacher shortage in China be alleviated by requiring all new graduates of teacher-training institutes to take jobs with schools or government educational departments. Deputies Saturday will also vote on the final draft of the proposed Seventh Five-Year Plan (1986-90) and elect a new vice-premier, state councillor and vice-chairman of the Sixth NPC Standing Committee.

WAN LI FETES HONG KONG, MACAO NPC DEPUTIES

OW101602 Beijing XINHUA in English 1541 GMT 10 Apr 86

[Text] Beijing, April 10 (XINHUA) -- Chinese Vice-Premier Wan Li said here today that China would not change its domestic and foreign policies, or the policy of one country, two systems for realizing the peaceful reunification of the country. Wan said this at a banquet he gave in honor of Hong Kong and Macao deputies attending the ongoing session of the National People's Congress (NPC) and the current session of the Chinese People's Political Consultative Conference (CPPCC) here this evening at the Diaoyutai State Guesthouse. He said the two sessions are being held at a time when China has successfully completed its Sixth Five-Year Plan and is about to start the seventh one.

He described the opinions on the Seventh Five-Year Plan and criticisms of the work being carried out on China's mainland put forward by the Hong Kong and Macao deputies as constructive and sincere. Such opinions and criticisms are beneficial to China's modernization program, he said. Wan said the great changes now taking place in the country need arduous work. Two important factors must be guaranteed: first, to keep to the economic reform and the open policy; and second, to persist in the independent foreign policy of peace and work for a long-term peaceful international environment. He noted that Hong Kong and Macao serve as important bridges for contacts between China's mainland and other countries. He expressed his hope that the two regions would play an active role in this respect. Wan encouraged the deputies to reflect the wishes and desires of the Hong Kong and Macao compatriots as they know well the situation in Hong Kong, Macao and the mainland, as well as the policies and plans of the country. He hoped they would make new contributions to safeguarding stability and prosperity in Hong Kong and Macao, and the reunification of the country.

T.K. Ann, Standing Committee member of the CPPCC National Committee and chairman of Winsor Industrial Corporation Ltd. of Hong Kong, spoke at the banquet on behalf of those present.

CPPCC SESSION CONCLUDES; OFFICIALS ELECTED

National Committee 6th Meeting

OW110556 Beijing XINHUA Domestic Service in Chinese 1209 GMT 10 Apr 86

[Excerpts] Beijing, 10 Apr (XINHUA) -- The Fourth Session of the Sixth CPPCC National Committee held its sixth meeting at the Great Hall of the People this afternoon. The CPPCC members continued discussions at the meeting.

Those who spoke at today's meeting were: She Shiguang, Lin Shengzhong, Duan Lipei (representing Liu Xilin, Fang Ming, and Huo Maozheng), Liu Shi, Li Xiaofang, Wu Yingkai, Xu Simin, and Yang Lieyu. The CPPCC members expressed concern in their speeches for the growth of young people, for strengthening the legal system, and for implementing compulsory education. They also expressed views on bringing into play the role of workers and staff in the four modernizations, reform of urban hospitals, and realization of peaceful reunification of the motherland.

Vice Chairmen of the CPPCC National Committee Qian Changzhao, Fei Xiaotong, and Liu Jingji presided over today's meeting. Attending the meeting were Vice Chairmen Yang Jingren, Liu Lantao, Kang Keqing, Pagbalha Geleg Namgya, Yang Chengwu, Lu Zhengcao, Zhou Peiyuan, Burhan, Miao Yuntai, Wang Guangying, Qu Wu, Ma Wenrui, and Mao Yisheng.

Members on Reunification

OW110313 Beijing in Mandarin to Taiwan 1500 GMT 9 Apr 86

[Text] The Fourth Session of the Sixth CPPCC National Committee heard oral and written statements by its members on the afternoon of 9 April. A number of members expressed their views concerning peaceful reunification of the motherland. In a written statement, member Wen Qiang said: It is a pressing task to remove the artificial separation of the Taiwan Strait. He said: The proposal for one country with two systems is an inevitable historical trend conforming with the aspirations of the people. It envisions a future situation characterized by long-term coexistence between the two sides of the strait, and embodies the legacy of Dr Sun Yat-sen, that is, revitalization of the Chinese nation.

A joint statement by Zheng Jian and 15 other members of the CPPCC's Federation of Taiwan Compatriots called for active efforts in promoting exchange and cooperation in various fields between the two sides. The joint statement said: The Taiwan authorities' policy of assembling anticommunist forces has been widely criticized inside and outside the Kuomintang and has caused a series of inextricable political, economic, and social problems in Taiwan. The joint statement called for thorough understanding of the popular feeling in Taiwan so that efforts to exercise democracy in Taiwan and realize the motherland's peaceful reunification can converge. The joint statement also called on the CPPCC National Committee to adopt effective policy measures to facilitate exchange and cooperation between the two sides. It also proposed that both sides organize groups to exchange visits with relatives and friends.

Member Wu Yuanlong, who returned from Taiwan to settle in Shanghai in 1981, said in a written statement: The people on both sides of the strait fervently hope for an early realization of exchange of mail, trade, and air and ship services. He said: The exchange in these three areas has not only become a fact but is also understood by businessmen and entrepreneurs on both sides of the strait, thereby enabling people on both sides to recognize the benefit of direct links in these three areas for the economic prosperity of both the mainland and Taiwan. He urged departments concerned in Taiwan to give more consideration to the interests of the Chinese people by lifting trade restrictions and establishing direct links in mail, trade, and air and ship services in order to jointly promote the grand unity of the Chinese people and revitalize the Chinese nation.

New Officials Named

OW110908 Beijing XINHUA in English 0848 GMT 11 Apr 86

[Text] Beijing, April 11 (XINHUA) -- A veteran communist, a scientist and a sociologist were elected to the leading posts in China's top consultative body here today. Wang Enmao, Qian Xuesen and Lei Jieqiong were elected vice-chairmen of the National Committee of the Chinese People's Political Consultative Conference (CPPCC). The election took place at the closing ceremony of the Sixth CPPCC's Fourth Session in the Great Hall of the People.

Wang, former first secretary of the Communist Party Committee of the Xinjiang Uygur Autonomous Region, is now director of the region's Advisory Commission. He joined the Communist Party in 1930 and had worked for a long time in Xinjiang after the founding of the People's Republic in 1949.

Qian, a world-famous scientist, is vice-president of the Chinese Association for Science and Technology and deputy director of the Science and Technology Committee under the science and technology commission for national defense. Before returning to China in 1955, he was a professor at the California Institute of Technology and Massachusetts Institute of Technology in the United States.

Lei is a noted sociologist and educator. She earned her master's degree in sociology from the University of California, the United States in 1931. In 1945, she participated in the founding of the China Association for promoting Democracy, one of China's non-communist parties, and is now the association's vice-chairwoman.

Today's meeting also elected 13 new members to the Standing Committee of the CPPCC National Committee. Among them are veteran communists, members of non-communist parties, returned Overseas Chinese, Taiwan compatriots and people from business and religious circles.

Lin Shengzhong, 44-year-old vice-chairman of the Taiwan Democratic Self-Government League, is the youngest of the 13. He was born in Taiwan and came back to the Chinese mainland in 1972. He is now an associate research fellow of the Chinese Geological Institute.

Others include Yan Mingfu, director of the United Front Work Department of the Communist Party Central Committee; He Zhengwen, former deputy chief of General Staff of the Chinese People's Liberation Army; Jing Shuping, vice-chairman of the board of directors of the China International Economic Consultative Corporation; and Bishop Michael Fu Tieshan, vice-chairman of the China Patriotic Catholic Association.

Zhou Shaozheng, acting secretary-general of the CPPCC was elected today secretary-general. The 60-year-old Zhou worked as deputy secretary-general of the State Council before he became the acting secretary-general of the CPPCC last year.

Leaders at Closing Ceremony

OW110936 Beijing XINHUA in English 0920 GMT 11 Apr 86

[Text] Beijing, April 11 (XINHUA) -- The Fourth Session of the Sixth National Committee of the Chinese People's Political Consultative Conference (CPPCC) closed here today. Addressing the closing ceremony, Deng Yingchao, chairwoman of the CPPCC National Committee, urged members of the country's top political consultative body to strive for the fulfillment of the Seventh Five-year Plan (1986-90). A political resolution adopted at today's meeting called on members and organizations of the CPPCC at all levels to unite people in all walks of life to continue to contribute to the nation's economic reforms.

President Li Xiannian, National People's Congress Standing Committee Chairman Peng Zhen, Vice-President Ulanhu, Vice-Premier Wan Li and other Chinese leaders Xi Zhongxun, Tian Jiyun, Li Peng, Yang Shangkun, Yu Qiuli, Hu Qili, Yao Yilin and Ni Zhifu attended the ceremony.

During the 20-day session, CPPCC members discussed the report on the work of the Standing Committee of the Sixth National Committee delivered by Vice-Chairman Hu Ziang and other reports, attended the Fourth Session of the Sixth National People's Congress as observers, discussed the Seventh Five-Year Plan and put forward suggestions concerning the plan and other important issues of the state.

Deng Yingchao said CPPCC members agreed that the Seventh Five-Year Plan is in accord with the conditions of the country as well as the objective law of economic development, and embodies the principles of continuing the reforms, opening the country to the outside world and invigorating the domestic economy. She said that participants of the session have put forward many good ideas and suggestion, which are beneficial to perfecting the new five-year plan and improving the government work. The National Committee will transmit them as soon as possible to the departments concerned, she added.

The session elected Communist Party leader in Xinjiang Wang Enmao, famous scientist Qian Xuesen and sociologist Lei Jieqiong as additional vice-chairmen of the National Committee. It also elected 13 additional Standing Committee members and Zhou Shaozheng as secretary-general. A resolution on the work report of the Standing Committee adopted today called on the CPPCC members to make greater contributions to China's socialist modernization and the reunification of the country. According to a report submitted by the Motions Committee, the session has received 1,202 motions, 25 percent more than those in last year's session. The meeting also heard speeches made by Zhao Puchu, president of the Chinese Buddhist Association, Professor Shen Yuan, honorary president of the Beijing Aeronautical Engineering Institute, and noted economist Qian Jiaju on religion, world peace and education. Diplomatic envoys of various countries posted in Beijing were present at today's closing ceremony.

LIAOWANG CONSIDERS FEASIBILITY OF 7TH 5-YEAR PLAN

HK100950 Beijing LIAOWANG in Chinese No 13, 31 Mar 86 pp 6-7

[Article by Yu Youhai: "The Three 'Changes' Are of Far-Reaching Significance"]

[Text] China's rapid economic development over the past 5 years can be seen in the following figures: Fixed assets, which symbolize the material basis of China's economic construction, and the increases of state-owned units have outstripped the total sum of increases attained in the Third, Fourth, and Fifth 5-Year Plans; national income and revenue which are the reflection of better economic results have increased by 63.3 percent and 70.9 percent, respectively; and the balance of savings deposits which shows an increase in people's incomes has increased three-fold.

The big strides China has taken over the past few years are not accidental, as Premier Zhao Ziyang pointed out at the Fourth Session of the Sixth NPC. They are the result of implementing the policy of invigorating the domestic economy and opening up to the outside world, as formulated since the 3d Plenary Session of the 11th CPC Central Committee. The following three strategic and historically significant changes took place in economic work during the Sixth 5-Year Plan: First, in economic and social development strategy, emphasis on the growth of industrial -- particularly heavy industrial -- output value and output shifted toward a coordinated development of agriculture-light industry-heavy industry with the focus on attaining better economic results with an all-round development of the economy, science and technology, education, and culture. Second, in terms of our economic structure, the old system that exercised excessive and rigid control changed into a vigorous new system suitable to the needs of a planned commodity economy based on public ownership. Third, in foreign economic relations, our closed and semi-closed economy changed into an open economy which vigorously carried out international exchanges. Since the three changes are of far-reaching significance, they have been effective in China's economic development over the past few years and can also play a role in the Seventh 5-Year Plan which started this year, as well as for a fairly long period in the future.

While setting objectives to be accomplished by the end of the century, the 12th CPC National Congress pointed out that the strategic plan should be executed in two stages, that is, laying a solid foundation during the first 10 years and vigorously developing the economy during the latter 10 years. Does this mean that the 6.7 percent yearly average increase for the total industrial and agricultural output value proposed by the CPC Central Committee in the Seventh 5-Year Plan is too low? No. It shows precisely the new characteristics of seeking truth from facts and forging ahead within China's economic leadership efforts. China's economy developed rapidly during the Sixth 5-Year Plan. It would take a considerable effort to maintain the yearly average growth rate of 6.7 percent in the years to come. If the yearly average growth rate increases according to the draft Seventh 5-Year Plan from now to the year 2000, China's total industrial and agricultural output value will then reach over 3,200 billion yuan, 400 billion yuan more than the 2,800 billion yuan set by the 12th CPC National Congress.

People with experience know that we can continue to rely on the party's rural policies to develop China's agriculture. Nevertheless, we must rely more on improving conditions for farm production. Such improvements should undergo an arduous process of accumulation. As for industry, the excessive growth of the past 2 years not only affected quality and increased energy consumption, but also intensified the strain on energy, communications, and raw materials. By proceeding from practice and maintaining a reasonable economic growth during the next 5 years, people will be able to focus their attention on attaining better economic results, conducive to coordinating the proportional relationship between production and transport and between processing industry and energy and raw materials industry, and in particular, help create a spacious economic environment for promoting the reform of our economic structure.

The draft Seventh 5-Year Plan contains no "brave and proud words." Every policy and measure adopted to insure the implementation of that plan is practical. The scientific attitude of making specific analysis and dealing with matters on their merits embodied in these policies and measures has left a deep impression on the people.

Regarding construction, the plan has curtailed the general scale of investment and has taken special note of improving the investment setup so as to pool financial and material resources to insure energy, transportation, communications, raw materials, and other key construction projects, strengthen these weak links, and add reserve impetus to the revitalization of the national economy.

Regarding living standards, the plan has controlled the expansion of the consumption fund and proposed combining partial and immediate interests with overall and long-term interests. It has also addressed the issue of improving the living standards of the people, particularly solving the problem of food and clothing for those areas which are confronted by trying circumstances. This will be done by developing production and attaining better economic results.

As for reform, the plan has stressed invigoration of enterprises, large and medium-sized state-owned enterprises in particular, improving the work of the leading organs, and strengthening macroeconomic control so that economic structural reform will develop in depth in a coordinated manner.

Both the current NPC and CPPCC consider the Seventh 5-Year Plan feasible. The plan presents an inspirational and bright future to the people of our country. By fulfilling this plan, we will be able to straighten out economic relations in various fields, put our economic system on the right course, strengthen China's economy, science, and technology, accelerate the modernization of the national economy as a whole, and further improve the living standards of 80th urban and rural people. By 1990 we will be able to effectively promote the economic revitalization and prosperity of the nineties and confidently realize the grand objective set forth by the 12th CPC National Congress.

GUANGMING RIBAO ON RURAL COOPERATIVE ECONOMY

HK100555 Beijing GUANGMING RIBAO in Chinese 29 Mar 86 p 4

[Article by Zhang Deqing: "Several Questions in the Development of the Rural Cooperative Economy"]

[Text] At present, a new economic form -- the cooperative economy -- has emerged in the rural areas of our country, required by the times. We should conscientiously study the objective basis, characteristics, and role of this new economic form.

The Objective Basis for the Development of the Rural Cooperative Economy

The emergence of the rural cooperative economy in our country is not accidental; it is the objective demand of the development of commodity production in the vast rural areas.

First, there is an urgent need to find an outlet for the surplus labor force and surplus funds. Thanks to the reform of the rural economic structure, rural productive forces have been liberated, resulting in the development of production and a surplus in both rural labor force and rural funds. As far as the labor force is concerned, quite a large number of people in the rural areas do not have anything to do at present, but on the other hand, manpower is desperately needed to develop natural resources. In particular, some enterprises or production units operated by professional people need manpower. These enterprises and production units have not been able to develop rapidly owing to a lack of manpower. As far as funds are concerned, many rural areas now possess large amounts of idle funds. Because these funds have not been rationally accumulated and made use of, the construction of some production projects has not been carried out because of a lack of funds. If the contradiction between surplus labor and labor shortage and the contradiction between surplus funds and lack of funds cannot be solved at once, the development of commodity production will surely be hampered.

Second, a small number of people have become rich, but the majority of people have just enough to eat and wear and still need help. Over the past few years, some peasants have become rich sooner than others, and most of them are still not satisfied with their present situation, and are planning to find ways to become richer; other peasants also have a strong demand and earnest desire to become rich, although they have not yet done so. There is now a strong demand to become rich among the broad masses of peasants. Many peasants are actively trying to create potential conditions for themselves to become rich, but they have common difficulties: They either lack managing ability or lack funds, equipment, raw materials, factory buildings, technology, information, and so on. So they urgently need help and support.

Third, the contradiction between the services provided by the various levels of collective operation and the various services needed by the various levels of household operation has become increasingly sharp. Because of the continued development of the commodity economy self-operated by peasant households, the commodity economy needs various services in the fields of transportation and sale of the pre-production products, products required for production, and post-production products, especially post-production products. However, the original collective operation, apart from providing some general services concerning land resources, water conservation facilities, and some other aspects, will not be able to provide other kinds of services, especially transport services. As a result, the contradiction between the services provided by the various levels of the original collective operation and the various services needed by the various levels of household operation is becoming sharper and sharper.

Only when collective operation and the individual household operation establish synchronous development will the contradiction be gradually eliminated.

Fourth, those peasant households which lack operational capability now tend to become affiliated to big operation households. Some specialized households and households doing specialized jobs have developed into big operation households. In order to satisfy the need for labor in the process of carrying out expanded reproduction, these big operation households first recruit their family members, and then their relatives. At the same time, they also recruit some of the idle labor in society. In management, these big operation households do not treat this kind of labor force as masters of the operation, but as hired workers. So, instead of rationally distributing surplus value, the big operation households pocket most of the profits. This new contradiction will not only create a wide gap between incomes but will also greatly hamper the development of the production of these big operation households.

The emergence of the above-mentioned problems is not strange. It is a normal phenomenon which happens during the transition from a rural natural economy to a rural commodity economy. The key lies in what measures we will take to solve these problems. In the past few years, various kinds of cooperative economic organizations have continuously emerged in the vast rural areas of our country as a result of the rapid development of the rural commodity economy.

The Basic Forms of the Development of Rural Cooperative Economy

Along with the continued economic structural reform in rural areas and the gradual development of the rural commodity economy, various kinds of cooperative economy will emerge, just like hundreds of thousands of flowers blooming one after another. These cooperative economies not only have various forms and varied contents but also have their respective management methods. Generally speaking, they can be summed up in the following 5 types and 10 specific forms.

The so-called five types are: 1) Cooperation among peasant households, that is, the economic combine, as we often call it. Generally, an economic combine is initiated by one peasant household, and then joined by several other peasant households. These peasant households jointly establish industries, such as the handicraft industry, processing industry, transport industry, catering trade, service trade, building industry, construction materials industry, and so on. The economic combine is characterized by small scale, flexible management, quick results, and strong adaptability. 2) Economic combination between peasant households and collectively owned township or village units. Generally speaking, this kind of cooperative economy is a collectively owned enterprise under the system of contracted responsibilities. The funds, equipment, production sites, and resources of this kind of cooperative economy are provided by collectively owned units. 3) Combination between villages or between villages and state-owned units. Generally, one side provides funds and equipment while the other side provides technology, production sites, and labor to jointly carry out combined production. 4) Combination between local enterprises and enterprises of other areas. Generally, local enterprises invite funds, technology, and equipment from other areas, and then organize the local labor force and make use of local natural resources to carry out production. 5) Combination headed by collectives. The combination spreads its production, processing production, and sales among various units or peasant households which cooperate with one another and carry out combined operations before and after production. This is a specialized combination which divides and distributes its production process.

The so-called 10 forms are: 1) The peasants raise funds and buy shares, and then draw extra dividends according to the number of shares. The whole undertaking is headed by one peasant household. All the peasants are invited to contribute to the funds of their own free will. The cooperative economy will then employ workers and use the shares as its investment, and carry out a combined operation. The funds and property of this type of cooperative economy belong to all the shareholders, and the dividends of this type of cooperative economy are distributed according to the number of shares after the cooperative economy pays taxes to the state. 2) The cooperative economy implements the combined contract system under which joint operation is carried out. This type of joint operation is usually an enterprise cooperatively contracted and operated by a number of peasant households through the buying of shares. Apart from the dividends turned over to the state, all the dividends are distributed proportionally according to the number of shares or according to both the number of shares and the amount of work. 3) The peasants contribute their labor to the joint operation or cooperation. This type of cooperative economy is usually adopted when dealing with the projects which have simple and backward equipment, and consume mostly live labor. 4) The peasants contribute production means in the form of shares and carry out cooperative operation. This type of cooperative economy is practiced in the transport industrial combines.

5) The combination which is formed on some links between enterprises or between collectives and peasant households. This type of cooperative economy usually refers to the combination between technological guidance in the course of production and sales and some other links. 6) The peasants contribute funds and labor in the form of shares and carry out cooperative operation, which means that in the joint operation, peasants who have funds contribute funds and those who have labor contribute labor, and carry out cooperation and joint operation. 7) The cooperation which is carried out in funds, equipment, technology, production sites, and labor. 8) The peasants contribute both labor and funds and carry out cooperation through buying shares. 9) The cooperation which is carried out in funds and technology through buying shares, which means that those who have funds but no technology cooperate with those who have technology but lack funds. 10) The cooperative economy jointly formed by peasant households, whose production is carried out by employing workers. Naturally, in the development of commodity production, other types and forms of cooperative economy will also emerge. This is not only an inexorable trend in the development of the rural commodity economy, but also the new content of the reform of the rural economic structure and the new characteristic of the continued development of the rural cooperative economy.

The Strong Role of the Development of the Rural Cooperative Economy

Although most of the rural cooperative economy is only new, recently developed things, imperfect in many aspects, it is now playing a strong role in actual commodity production. The role of the rural cooperative economy can be seen in the following aspects:

First, various key elements in productive forces, which constitute mainly labor and funds, have been widely combined, thus pushing forward the development of commodity economy. Owing to the fact that various cooperative economies are combined according to the needs of the development of the commodity economy of enterprises, those which lack funds have combined with those which have a surplus of funds, those which lack labor have combined with those which have a surplus of labor, those which have technology have found production sites, and those which have equipment have brought their equipment into play, and so on. Through combination, the various key elements of productive forces have played their own part to varying degrees, thus pushing forward with the development of commodity production.

Second, a large number of enterprises which were on the verge of bankruptcy have been enlivened and have turned their losses into profits. The competitive strength of these enterprises has increased. Some collective enterprises suffered losses for a long time in the past because they did not carry out cooperative operation. Since carrying out cooperative operation, the situation in these enterprises has changed.

Third, the workers' sense of responsibility and sense of being masters of the enterprises have been strengthened. The workers now link the profits or losses of the enterprises with their own futures and have thoroughly overcome the phenomenon of relying on one another and being slack in work,. As a result, the economic results of jointly operated enterprises have been greatly increased. The situation in most of the jointly operated enterprises shows that the financial control of these enterprises is efficient and the financial procedures are complete, so that the emergence of doubts and misunderstandings is unlikely. The jointly operated enterprises have a lot of advantages which the individually operated enterprises or enterprises owned by big collectives do not have.

Fourth, the development of the rural cooperative economy has enabled specialized production to grow in scope, has not only enabled the production of specialized households to grow in scope but also increased the number of specialized villages. Because cooperative operation has enabled the production of specialized households to grow in scope, the output of the commodity production of specialized households has been continuously increasing.

Fifth, the development of the rural cooperative economy has enabled poor households to find a way to become rich and has pushed forward common prosperity. Because the broad masses of cadres and party members have been actively looking for ways for poor households in rural areas to become rich and to help them to cast off poverty, peasants have developed their own professional skills in the cooperatively operated enterprises, increased their own incomes, and advanced with big strides on the road toward prosperity.

In a word, the cooperative economy in the rural areas is vigorous and attractive and has become an important factor in invigorating the overall rural economy. We should actively support and guide it and continue to perfect and develop it according to the wishes of the masses and the needs of commodity production.

RENMIN RIBAO ON HEBEI ECOLOGICAL PROBLEMS

HK100627 Beijing RENMIN RIBAO in Chinese 1 Apr 86 p 3

[Newsletter by reporter Chen Jian: "Hidden Danger To Agricultural Ecology on Hebei Plain:]

[Excerpts] Some experts and responsible persons of the departments concerned recently pointed out that the hidden dangers of ecological conditions for agricultural production on the Hebei plain are grimly lurking about, and that we must therefore devote special attention to them and adopt effective measures to lessen their effects.

Since the beginning of the eighties, ecological problems concerning the Hebei plain have time and again sounded serious warnings to us, for example, water shortages in Beijing and Tianjin, the necessity of diverting water from the Luan He to improve the water supply to Tianjin, and the drying up of the Beiyangdian Hu. However, this is only a part of the problem, and the problem as a whole is much more serious.

One-fourth of cultivated land in Hebei Province is now afflicted with drought every year and one-sixth has become sandy soil. In addition, the salinity of about one-tenth of cultivated land is over 0.2 percent, and salinity and alkalinity is increasing. Nearly 50 percent of farmland suffers soil and water loss. Over 1.55 million tons of nitrogen, phosphorus, and potassium are lost every year due to soil and water loss. This is equal to 42 percent of Hebei's annual total output of chemical fertilizer. Soil and water loss also affects reservoirs. As a result, almost one medium-sized reservoir disappears every year. Meanwhile, blocked river courses damage nearly one-third of flood control works.

The problem of water resources is more worrying. Over the past few years, there has been an ever-increasing need for water, while the supply of water has been dwindling. In the fifties, the amount of water flowing from the mountains reached 11.5 billion cubic meters, but in the eighties it is only 5.5 billion cubic meters. Hebei Province now needs 27.3 billion cubic meters of water every year, but the water supply is less than 20 billion cubic meters, and it has to exploit about 14 billion cubic meters of subterranean water every year.

The departments concerned of Hebei Province pointed out: Social and economic development in Beijing, Tianjin, and Hebei Province is proceeding more rapidly than the tapping of water resources in these areas. Therein lies the crux of the problem concerning water shortage. Every year, Beijing, Tianjin, and Hebei Province together consume more than 10 billion cubic meters of water. The shortage of water in Beijing and Tianjin has aroused the attention of the departments concerned, and efforts have been made to divert water from the Luan He to improve the water supply to Tianjin, but this measure can only relieve the water shortage to a certain degree. The strains on the water supply in north China as a whole have not been eased but have become more serious. The long-term consequences cannot be foreseen.

It is now obvious that the shortage of water in Beijing, Tianjin, and Hebei Province cannot be made good by means of local resources. Therefore, many departments concerned believe that to solve the problem, we must divert water from rivers outside the Hebei plain. Some people say that to improve the water supply in the Hebei plain, "in the short term, we can divert water from the Huang He, in the medium term, we can divert water from the Chang Jiang, and in the long term, we must obtain water from the sea." Such remarks sound reasonable. Hebei Province recently formulated the "Baipo plan," suggesting diverting water from the Huang He in Baipo, Henan Province, to the Baiyangdian Hu, Hebei Province through the Wei He and the Dongfeng canal. Realization of the plan needs an investment of 1.1 billion yuan. With regard to the plans for transferring water from the south to the north and desalination of sea water with the help of modern science and technology, this will require immense resolution and substantial investment, otherwise, we will accomplish nothing.

One thing must be especially stressed here: We must rationally use and conserve water resources. Our country does not have sufficient water resources and our per-capita water resource level amounts to one-fourth of the world average. Using rationally and saving water resources is of great significance for social and economic development. Over the past decades, we have worked hard for economic construction, but industrial and agricultural production in Beijing, Tianjin, and Hebei Province, instead of saving water resources, still consume more and more water. Without making great efforts, it is difficult to change this situation. For example, how can we solve the problem of the concentration of a large number of chemical, oil, coal, and metallurgical industries with a high consumption of energy and water in Beijing, Tianjin, and Hebei Province? In agriculture, is it necessary to blindly develop high-yield grain crops like paddy rice without taking into consideration limited water resources? Do we have any plans to develop dry crops suitable for this region? These practical problems are challenging and pressing. In tackling these problems, we must be far-sighted and must resolutely adopt effective measures.

Commentator's Article

HK100629 Beijing RENMIN RIBAO in Chinese 1 Apr 86 p 3

[Commentator's article: "A Great Task in Agriculture"]

[Text] Our paper today carried a news report regarding the current agricultural ecological environment on Hebei plain. This partial problem reflects the fact that a hidden danger looms large in our country's agricultural ecological environment. It seems that the task of protecting the agricultural ecological environment is increasingly pressing.

Old China left us an ecological environment with hidden dangers and covered with wounds and scars. Since the founding of the People's Republic, hundreds of millions of people, led by the party and the government, have made energetic and immense efforts to transform our land through afforestation and by harnessing rivers and protecting farmland from sand erosion, and have achieved great success. However, our implementation of the principle of "taking grain production as the key link in agriculture" over a long period of time in the past compelled us sometimes to exploit the land unscrupulously. This has almost offset all our endeavors in agricultural environment protection. As a result, agricultural production in many areas is now faced with a number of hidden dangers, such as a decline in cultivated land, large quantities of farmland being eroded by wind and sand and by salinization, declining soil fertility, the destructive felling of forests, improper use of grassland for grazing, serious water loss and soil erosion, increasing silt content in rivers, lakes, and reservoirs, lowering of groundwater levels, and drying up of lakes. In addition, a new threat of pollution of air, soil, water, and agricultural products now looms over us. We should not overlook the problem.

The natural environment is the foundation of man's existence. To build a good agricultural ecology, we should rely not only on the countryside but also on the concerted efforts of the whole nation, and we should especially stress proper use of farmland in agricultural production, because it has a direct and vital bearing on the ecological environment. If we develop agriculture according to ecological laws, we will have abundant harvests of all food crops, fruits, vegetables, fish, meat, eggs, and dairy products, and can build a beautiful and clean living environment, but if we exploit land blindly and destroy the ecological environment, we will certainly be punished by nature, our living environment will be damaged, and even our existence will be threatened.

Our countryside is facing a new period of development. Its primary task is to develop the economy, and maintaining a good ecological environment is a prerequisite for rural economic development. However, we should not develop the economy and seek immediate interests at the expense of the environment for our existence. Otherwise, we will lose a lot to gain a little. It is absolutely wrong to think that in expanding production and increasing output value, it is not necessary to take much care of the ecological environment, and that in boosting production, damaging the ecological environment is unavoidable. Experience in many areas has demonstrated that production can be developed in close proportion to the ecological environment. Over the past few years, unceasing attention has been directed toward ecological agriculture. We should make continuous efforts to study the problem, sum up experience, and spread good experience step by step.

At present, various productive activities are growing more and more prosperous in the countryside and 180 million peasant households and more than 6 million township enterprises are developing vigorously. The work of protecting the ecological environment involves all walks of life and every household. All departments concerned and leaders at various levels should address the problem and mobilize hundreds of millions of peasants to take part in the work.

We should popularize knowledge of environmental protection and publicize the relevant government decrees among the peasants and help them to arrange production in a scientific way. In protecting the agricultural ecological environment, we must enforce discipline and law.

Protecting the ecological environment is a basic policy of our country. Any damage done to the ecology is a crime against the great cause of building the motherland and against our future generations. All comrades on the agricultural front should earnestly task the work of building a good ecology as a great task in agricultural production, and should take social benefit, ecological results, and economic returns well into consideration while developing agricultural production.

STATE COUNCIL APPROVES FARM EXPORTS REPORT

OW110642 Beijing XINHUA Domestic Service in Chinese 1223 GMT 10 Apr 86

[Excerpts] Beijing, 10 Apr (XINHUA) -- The State Council recently approved and transmitted a report by the Ministry of Agriculture, Animal Husbandry, and Fishery; the Ministry of Foreign Economic Relations and Trade; and the Ministry of Commerce on establishing a system for producing export-oriented agricultural and sideline products. It noted: Agricultural and sideline products, which are China's traditional export commodities, will continue to dominate China's exports in the future. Properly operating assorted bases for producing export-oriented agricultural and sideline products and gradually establishing and perfecting a system in this regard are strategically important for promoting the export of agricultural and sideline products.

In their report to the State Council, the Ministry of Agriculture, Animal Husbandry, and Fishery, the Ministry of Foreign Economic Relations and Trade, and the Ministry of Commerce said: The export of agricultural and sideline products plays a key role in China's effort to earn foreign exchange through exports. At present, there are the following major problems:

1. Disorganized production and handling of export-oriented agricultural and sideline products;
2. Backward scientific research and production and processing technologies;
3. Low product quality;
4. Lack of enthusiasm in units charged with producing export-oriented agricultural and sideline products;
5. Relatively unbalanced proportions between domestic sales and exports of most of the the major agricultural and sideline export commodities, with exports outstripping stable domestic supplies; and
6. Insufficient warehouses and transport facilities.

Establishing a system for producing export-oriented agricultural and sideline products is vital to solving the above problems, meeting the demands of the increasingly competitive international market, and constantly boosting the export capacity of agricultural and sideline products. In addition, it can play an exemplary role in upgrading China's agricultural production technology and expediting China's agricultural modernization.

The report said: In building export production bases, it is necessary to stand on the existing foundation, bring out strong points while avoiding shortcomings, and plan and choose sites on a selective basis. The bases should meet the following basic requirements:

1. Production zones should be centralized and integrated, making specialized production possible.

2. Natural conditions should favor farming or fowl-raising and fishbreeding, with the potential for development.
3. Production and processing technologies should be basically sound and capable of turning out quality or valuable varieties.
4. The export rate should be high, with emphasis on determining the proper export ratios according to different commodity traits.
5. Communications and transport should be convenient.
6. Scientific research, initial processing, transshipment, and warehouse installations should be basically adequate and complete.
7. In addition to the above requirements, the locality concerned should provide a specific amount of investment in supplemental facilities.

STATE COUNCIL ISSUES CIRCULAR ON RAILWAY CONTRACTS

OW081234 Beijing XINHUA Domestic Service in Chinese 1525 GMT 7 Apr 86

[Excerpts] Beijing, 7 Apr (XINHUA) -- The State Council recently disseminated "plan on the Ministry of Railways adopting the economic contract responsibility system" formulated by the State Planning Commission, the State Economic Commission, the Ministry of Finance, the People's Bank of China, and the Ministry of Railways and issued a circular calling on all departments in all places to seriously implement it.

The State Council circular points out: Railways are the main artery of the national economy and are the backbone of China's communications and transportation. Over the past several years, railway transport has made much headway. However, it is still a weak link in the national economy today and does not meet the needs of our economic development. The main problem in the railway departments is that they themselves lack the vigor for self-reconstruction and self-development and that the development of railway construction does not link up with the achievements of railway management. To solve this question, we must reform the railway management system in an all-round way with the economic contract responsibility system as the center; bring railway workers' initiative, enthusiasm, and creativity into full play; and use the increasing accumulations to speed railway construction and technical transformation.

The circular says: The railway departments' adoption of the economic contract responsibility system is an important reform. The railway departments must enhance their views of the overall situation, put the increase of social economic results above all else, serve the people still better, and make greater contributions to the state. Railway capital construction must be developed in accordance with the state plan and in line with the order of capital construction and technical transformation stipulated by the state. It is necessary to strictly observe financial and economic discipline and accept the state's financial supervision. The Ministry of Railways should carefully calculate and strictly budget, practice economy in making investments, improve management, and increase transport capacity. It is necessary to persist in making reforms and blazing new trails, increase enterprises' vigor, and make efforts to fulfill all contracted tasks. All departments and localities concerned must actively support the development of railway contract system and railway construction.

The State Planning Commission and the four other units' "plan" point out: To speed the development of railway construction during the Seventh 5-Year Plan, the Ministry of Railways will make reforms in its economic management structure and adopt the economic contract responsibility system of developing railways by using what railways achieve. The system starts in 1986 and will remain in effect for 5 years. The contents of the contract responsibility system proposed by this plan include the transport task, the locomotive and rolling stock production task, the scope of railway construction and its transport capacity, capital construction investments and funds to purchase locomotives and rolling stock, paying tax according to regulations, and conversion of metric ton-km into wages, and so forth. The plan also points out related policies and regulations which the Ministry of Railways should follow after the contracted system is adopted.

SHANDONG MILITARY HOLDS SKILL DEMONSTRATION

SK080305 Jinan Shandong Provincial Service in Mandarin 2300 GMT 5 April 86

[Text] On the morning of 5 April, office cadres and fighters of the Jinan Military Region held a skill demonstration at the square of the Bayi Hall. Leading comrades, including Chi Haotian, political commissar, and Gu Hui, deputy commander, reviewed the demonstration.

Before the demonstration, the required discipline and standards for the soldiers' appearance and bearing were examined, and their up-to-standard rate reached 97.4 percent.

When the demonstration began, six second-level departments, including the headquarters and the signal department, gave a demonstration of the soldiers' bearing, gait, manners and the way of giving a salute. The soldiers' bearings were regular, their movements were correct, and the words of command of the commanders were loud and clear.

After the demonstrations, Comrades Chi Haotian and Gu Hui gave speeches. They pointed out: Holding demonstrations among Army organs is an actual move to implement the directive of Yang Dezhi, chief of the General Staff of the PLA, on strengthening Army discipline and maintaining required standards for soldiers' appearance and bearing and on building regular troops. Since Jinan is the provincial capital and an open city, there will be many soldiers coming and going. The discipline and bearing of the soldiers, good or bad, will directly affect the troops of the entire Military Region. The Military Region's Army organs should begin with the work of strengthening army discipline and all people should proceed such work from their own initiative and should strive to achieve remarkable success in the first half of the year through concerted efforts from the higher to the lower levels, and to achieve a fundamental turn for the better in improving the Army discipline and bearing within the year.

SHANGHAI LEADERS VISIT SOONG CHING LING'S TOMB

OW061009 Shanghai City Service in Mandarin 0100 GMT 6 Apr 86

[Excerpt] Yesterday was the Qing Ming Festival [traditional day for paying homage to the dead at their tombs]. In the morning, leading comrades of the party, government, and Army, public figures from various communities, and youth representatives of this municipality went to Soong Ching Ling's mausoleum and the Shanghai Municipal Cemetery of Revolutionary Martyrs to pay homage to the honorary president of the PRC, Soong Ching Ling, and the martyrs who heroically gave their lives for the sake of the revolution.

Responsible comrades joining this activity included Rui Xingwen, Huang Ju, Wu Bangguo, Chen Guodong, (Shang Dinghong), Wang Jian, Zhu Zongbao, Li Guohao, Wu Ruolan, (Xu Guiqi), (Xing Changji), (Liu Qingyong), Qin Yichang, (Wang Guanliang), Wu Xia, and [name indistinct]. Also paying homage at the tombs were members and alternate members of the CPC Central Committee, members of the Central Advisory Commission, and members of the Central Discipline Inspection Commission currently in Shanghai.

SHANGHAI RELEASES INDUSTRIAL OUTPUT FIGURES

HK081302 Beijing ZHONGGUO XINWEN SHE in Chinese 0854 GMT 7 Apr 86

[Text] Shanghai, 7 Apr (ZHONGGUO XINWEN SHE) -- According to the figures published by the Shanghai Municipal Statistics Bureau, the total industrial output value produced by Shanghai in March was 7,545,000,000 yuan, or 4.2 percent higher than the figure of the same period last year. The accumulated industrial output value in the first quarter of this year was 20.04 billion yuan, or 1.8 percent more than the same period last year.

In the first quarter, the output of 64 out of the 109 major industrial products was higher than the same period last year. Among others, the output of such key raw materials as pig iron and coke, which are urgently needed in the development of the national economy, and such durable consumer goods as color TV sets and domestic refrigerators, which are in great demand on the market, increased sharply.

Last year, the industrial production situation in Shanghai was satisfactory, with the industrial output value increasing by 11.1 percent and exceeding the target of the annual plan by 2.8 percent. The people concerned pointed out that the main reason for a lower growth rate in Shanghai's industrial production in the first quarter as compared with the same period last year was the shortage of funds and the short supplies of energy and raw materials. So far, this problem has not yet been solved. The departments concerned are taking measures to ensure a certain growth rate in Shanghai's industrial production in the future.

ZHEJIANG CIRCULAR ON PUBLIC-FUNDED SIGHT-SEEING

OW102328 Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 7 Apr 86

[Text] In order to resolutely check the evil tendencies of cadres to use public funds for sight-seeing trips, the offices of the Zhejiang Provincial CPC Committee and Government, acting in the spirit of the CPC Central Committee and State Council circular, issued a supplemental circular on strictly banning the use of public funds by cadres to take sight-seeing tours.

The circular pointed out: Leading cadres of party and government organs at all levels must carry on the fine tradition of working arduously, and take the initiative in combating the evil tendencies of using public funds for sight-seeing. Henceforth, under no circumstances will cadres be allowed to use their power to take sight-seeing tours using public funds, nor to invite others on special trips to scenic areas. Those violating these rules should be sternly dealt with according to party or administrative or financial and economic discipline. In addition, major leaders of units concerned must be investigated for liability. Party and government organs at all levels, enterprises and public service units, mass organizations, and academic bodies must obtain approval from authorities at a higher level before holding meetings in Hangzhou, Ningbo, and Shaoxing Cities during tourist season. Units at provincial level should ask for permission from the provincial CPC Committee or government.

The circular pointed out: All localities and units should strictly control visits to other localities. It is also not permitted to use public funds to organize retired cadres for sight-seeing tours for any excuse.

SICHUAN RIBAO ON COOPERATIVE ORGANIZATIONS

HK090904 Chengdu SICHUAN RIBAO in Chinese 22 Mar 86 p 1

[Report by the provincial Supply and Marketing Cooperative: "Supply and Marketing Departments and Peasants Jointly Run Specialized Cooperative Organizations -- a New Channel for the Peasants to Increase their Income and Become Well-Off"]

[Text] Supply and marketing departments and the peasants have jointly run specialized cooperative organizations in the course of rural economic reform in the province over the past few years. This has promoted the readjustment of the rural production structure and enabled the peasants to increase their income and become well-off.

Statistics compiled by 14 cities and prefectures in the province reveal that by the end of 1985, supply and marketing departments and peasants were jointly running various types of enterprises totaling some 1,700, with an annual output value of 110 million yuan and profits of 46 million yuan. These jointly run specialized cooperative organizations have improved labor productivity to varying extents, expanded commodity production, and played a positive role in helping supply and marketing cooperatives serve the peasants and in enabling the peasants to become well-off. The Tongji supply and marketing cooperative in Pengxian County and 14 peasants have used local resources to jointly run a coking plant. Last year, it produced 3,400 tons of coke. Apart from the expenditure on the peasants' wages, bonuses of 48,000 yuan, and a profit of 16,000 yuan for the cooperative, the plant could still retain a sum of 10,000 yuan for expanding reproduction.

There are now five types of specialized cooperative organizations jointly run by supply and marketing cooperatives and peasants in the province: The first type is organizations with the peasants and supply and marketing cooperatives as shareholders jointly in charge of bonus distribution, the former making labor investment and earning wages, whereas the latter are responsible for the sale of products and the supply of raw materials; the second type is organizations in their initial stage in which supply and marketing cooperatives have to run the risk of incurring losses when production is unstable, with methods for holding shares, making labor investment, exercising management, supplying and marketing, calculating wages, and distributing bonuses being the same as those of the first type; the third type is organizations in which the peasants take part in labor and management, undertake specialized production under the principle of sharing out the work and cooperating with each other, and earn wages, whereas the supply and marketing cooperatives participate in management, supply funds, facilities, and raw materials, and assume sole responsibility for their profits and losses; the fourth type is organizations in which the peasants supply products and the supply and marketing cooperatives are responsible for sales, both sides enjoying the profits earned; and the fifth type is organizations which serve specialized production and which are aimed at achieving technological cooperation rather than making money.

XIZANG URGES SINGING NATIONAL ANTHEM IN TIBETAN

HK090616 Lhasa Xizang Regional Service in Mandarin 1130 GMT 7 Apr 86

[Excerpts] On 17 March, the regional CPC Committee Propaganda Department, the regional CYL Committee, and the regional Education Department jointly issued a circular on all people, particularly the youth, in the region learning to sing the national anthem in the Tibetan language.

The circular said: At the end of 1982, the central Propaganda Department issued a circular on educating the people, particularly the youth, on the national flag and the national anthem. In January 1983, the regional CPC Committee Propaganda Department conveyed this circular.

On 22 April of that year, the regional Education Department issued a circular and conducted education in various schools, particularly among students, on the national flag and the national anthem. The Education Department also put forward specific methods and adopted specific measures, therefore achieving good results. However, since there were a number of translated versions of the national anthem in the Tibetan language, the campaign of learning to sing the national anthem in the Tibetan language did not achieve much progress. Recently, the Translation Bureau has provided us with a centralized translated version of the national anthem in the Tibetan language. We can therefore unfold the campaign of learning to sing the national anthem in the Tibetan language among all the people, particularly the youth, of the region.

The circular pointed out: Basically speaking, the region is one where the Tibetans live in compact communities. The Tibetan population accounts for more than 90 percent of the region's total population. Therefore, there are favorable conditions for promoting the learning of the national anthem in the Tibetan language. Not only do the Tibetan comrades learn to sing the national anthem in the Tibetan language, but comrades of the Han and other fraternal nationalities should also learn to sing the national anthem in the Tibetan language. The fact that people, particularly the youth, of various nationalities sing the national anthem in the Tibetan language at the same time is actually a vivid manifestation of great unification of various fraternal nationalities. Located on the southwest frontier of China, the region was invaded by imperialist foreigners. Through the singing of the national anthem, the masses and youth will remember the motherland's past sufferings of being invaded and oppressed. They will remember numerous revolutionary martyrs who scored outstanding achievements and devoted their lives to the great cause. Therefore, they will cherish more the region's present situation and further strengthen their feeling that people of various nationalities share the same destiny. They will love more ardently the great socialist motherland.

The circular urged all schools at all levels to first popularize among students the national anthem in the Tibetan language. The schools may adopt the methods of teaching them to sing during lessons and after-school activities, as well as singing the national anthem during important activities. Through the singing of the students and youths, we can popularize among the people of the region the national anthem in the Tibetan language.

Organs, factories, mines, enterprises, and institutions should also actively organize their cadres and workers, particularly the young cadres, young workers, and young intellectuals, to learn the national anthem in the Tibetan language. Thereby, everyone will be able to sing the national anthem in the Tibetan language, and, during every important festival, the people of various nationalities will sing the national anthem in the Tibetan language together.

Let the inspiring national anthem encourage and give impetus to the region's people of various nationalities to become united, to dedicate heart and soul to the same cause, and to work hard to building a united, prosperous, civilized, and new socialist Xizang!

NEI MONGGOL CONFERENCE ON POLITICAL, LEGAL WORK

SK060420 Hohhot Nei Monggol Regional Service in Mandarin 2300 GMT 5 Apr 86

[Text] The regional political and legal work conference, which was held in Hohhot from 1 to 5 April, decided that the general requirement for the region's political and legal work for this year is to continue to deal stern blows to serious economic and other criminal activities, realize a steady improvement in public security after achieving a marked improvement in it in order to lay a solid foundation for further bringing about a fundamental turn for the better in public security, and create a good social environment to usher in the 40th anniversary of the founding of the autonomous region.

Bu He, Tian Congming, and He Yao attended and addressed the conference. Ma Zhenduo, Standing Committee member of the regional CPC Committee, vice chairman of the regional government, and secretary of the Political and Legal Commission of the regional CPC Committee, presided over the conference and delivered a report.

The conference noted: Since the autumn of 1983, the region has achieved a marked improvement in its public security situation thanks to the efforts to punish serious criminal offenses more strictly and promptly according to law, and to take comprehensive measures to tackle public security problems. Compared with the period before the struggle to deal stern blows to criminal activities, the number of crimes declined by 51.4 percent in 30 months after the struggle started. The arrogance of serious criminals was dampened and the people's sense of security and their sense of respect for the legal system were greatly enhanced. As had been proved in practice, the CPC Central Committee's decision on dealing stern blows to serious criminal activities has been very necessary and correct, the results of this struggle have been noticeable, and a fairly good social environment has been created for the smooth progress of the four modernizations and economic reform, and for a secure and happy life for the people.

However, the development of the struggle has been uneven. In the new situation of economic reform, opening to the outside world, and enlivening the domestic economy in particular, new problems have arisen in public security: In criminal cases, the number of major and appalling cases has risen; economic criminal activities have increased; some ugly social phenomena have reappeared; and juvenile delinquency has been conspicuous. Therefore, we should have a sober understanding of the current public security situation, and should never be over-optimistic, lower our guard, or be careless.

In view of the actual situation of the region, the conference emphasized: The struggle to deal stern blows to serious criminal activities must not be slackened. While dealing stern blows to serious criminal activities, we should also deal stern blows to economic crimes, and resolutely dampen their rampancy.

The conference stressed: Strengthening the socialist legal system is a basic guarantee for the smooth progress of reforms in various fields, and for the state's enduring order and stability. We should conscientiously pay attention to the wide publicity of legal knowledge and enhance the cadres and the people's sense of respect for the legal system. Cadres at all levels, in particular leading cadres, must take the lead in abiding by the Constitution and laws, and should never replace the law with their words or power, overstep their authority to intervene in the judicial activities carried out by public security, procuratorial and judicial organs according to law, and damage the party's prestige and the sanctity of law.

Comrades working in the public security, procuratorial and judicial departments particularly should be examples in studying and abiding by law, speak and act according to the standards of the law, be impartial and incorruptible, be upright instead of stooping to flattery, and be strict in enforcing the law.

Bu He Speaks

SK060428 Hohhot Nei Monggol Regional Service in Mandarin 2300 GMT 5 Apr 86

[Text] At the regional political and legal work conference, Bu He, deputy secretary of the regional CPC committee, stressed that public security, procuratorial and judicial departments at all levels, in particular their leading organs, should step up efforts to study the new situation and new problems cropping up in economic reform, improve legality, persistently run the country according to law, and take more initiative in acting as protectors and promoters of the four modernizations.

Comrade Bu He said: In recent years, thanks to our efforts to carry out the CPC Central Committee's decision on dealing stern blows to serious criminal activities more strictly and promptly, great success has been won in this struggle, public security has shown a marked improvement, and the people have, in general, gained a sense of security. In the new situation of economic reform, opening to the outside world, and enlivening the domestic economy, however, new problems once again have arisen. In particular, the number of major and appalling cases have gone up, economic crimes increased, and some ugly social phenomena have reappeared. We should pay great attention to and be highly vigilant against this. We must never slacken our efforts or lower our guard just because of the marked improvement in public security, but should continue to grasp the work firmly. We should mete out our stricter and prompter punishments according to law to serious criminals, including economic criminals, and serious robber and hooligan gangs who endanger the people's lives and property and damage social order through murder, arson, explosions, rape, and robbery. We should also resolutely ban all corruptive and ugly phenomena which endanger social conduct to a serious extent. In the future whenever economic crimes occur in any departments or units, their leading persons concerned should be the first to take responsibility. Not only should criminals be strictly punished but also personnel negligent in their duties should be held accountable.

Comrade Bu He pointed out: At present the tasks for reforms and construction are very arduous, and new situations and new problems continue to emerge. Many important tasks for political and legal work should be carried out in the new situation. Therefore, party leadership over political and legal work, and major policies in particular, should be further strengthened so as to ensure that political and legal work always develops along the correct direction.

Comrade Bu He pointed out that in order to strengthen the socialist legality, carry out the struggle to deal stern blows to serious economic and other crimes, and tackle public security problems in a comprehensive manner, all localities, under the unified leadership and arrangements of CPC committees and governments, should mobilize the forces of the whole party and whole society, and organize all fronts, all trades and professions, and all departments to fulfill the tasks. He urged the masses of public security, procuratorial and judicial cadres and policemen to pioneer new ways and work hard in the new situation, and make new contributions to usher in the 40th anniversary of the founding of the autonomous region and to safeguard our region's modernization drive.

HEILONGJIANG EMERGENCY CONFERENCE ON SAFETY WORK

SK100122 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 7 Apr 86

[Text] On the morning of 7 April, the provincial CPC Committee and the provincial People's Government held an emergency telephone conference on safety work. Comrade Hou Jie, deputy secretary of the provincial CPC Committee and governor of the province, attended the conference and delivered a speech, in which he stressed that the people's governments and leading comrades at all levels throughout the province must attach importance to safety work in a down-to-earth manner and resolutely adopted measures to put an end, as soon as possible, to the passive state of affairs in safety work.

In his speech, Comrade Hou Jie pointed out: Since August 1985, the provincial CPC Committee and the provincial People's Government have attached great importance to safety work and repeatedly given it priority and made arrangements for it. However, accidents have continuously occurred. In coping with various problems currently cropping up in safety work throughout the province, Comrade Hou Jie presented the following demands for making further success in the work:

1. Efforts should be made to heighten understanding of the work, to define responsibility for the work, and to strengthen leadership over the work. The first leading personnel of localities, departments and units should be responsible for their own safety.
2. Efforts should be made to deeply carry out an overall inspection over safety work with the emphasis on preventing fires. Localities should go into action immediately and propose measures for correcting the discovered problems by imposing responsibility on responsible personnel in order to solve the problem within the given time frame.
3. A good job should be done in earnestly making various preparations for preventing or extinguishing large-scale fires or forest fires. At present, the forestry areas should attach great importance to the perils of fires, enhance the joint prevention work, and exert all-out efforts to curtail losses to the greatest extent possible.
4. Efforts should be made to strictly enforce discipline and to deal firmly with cases violating the discipline. Localities should earnestly deal with the serious cases that have occurred since 1985 and dispose again of those that have not been properly dealt with by refraining from yielding to them. Hereafter, all major or serious accidents must be placed on file and handled within a given time. Localities should make public the reports on some typical cases in order to stir up public opinion.
5. Efforts should be made to enhance management of safety work, and to strictly block guidance and operation violating the regulations and rules. Localities and units should enforce the managerial system in charge of safety targets and ban the signing of contracts (?involving life and death).
6. Efforts should be made to improve as soon as possible the public safety facilities and to actively make up for the missed lessons in safety work. The provincial authorities have decided to improve the technology and equipment of the provincial fire general brigade. Localities should also appropriate some money from their reserve funds in order to improve their fire brigades' technology and equipment.
7. Efforts should be made to reinforce the organs in charge of safety work in order to enable them to have a full staff and to bring into play the role of the departments in charge of safety work in conducting supervision and inspection activities.

All enterprises should do a good job in assigning full-time personnel in charge of safety work in line with the rate from 2 to 5 per thousand, which was set forth by the State Council. If they fail to fulfill this task and remove their safety organs at will, their leaders will hold the responsibility for future accidents.

LIAONING REPORT VIEWS 1986 BUDGET TASKS, GOALS

SK100838 Shenyang LIAONING RIBAO in Chinese 24 Mar 86 p 2

[Text] On 13 March, at the fifth session of the sixth provincial People's Congress, Gao Chenghe, deputy director of the provincial Financial Department, delivered the "report on Liaoning Province's 1985 final accounts and the 1986 budget." He said: The implementation of the province's 1985 financial plan shows that the real revenues for the year totalled 7.942 billion yuan, overfulfilling the annual budget by 15.2 percent, and a 17.1-percent increase over the previous year; and the real expenditures totalled 5.691 billion yuan, 87.1 percent of the budgeted figure, and up 45.5 percent over the previous year. Deducting the funds turned in to the central financial authorities according to the financial stipulations, revenues and expenditures were in balance, leaving a small cash surplus in hand.

Gao Chenghe said: Despite such a good situation, the fundamental improvement in the provincial financial work has just begun; contradictions between the demand and possible supply of funds remain conspicuous; enterprises' economic efficiency remains poor; a considerable number of state-run industrial enterprises still sustain losses; some enterprises are still on the verge of deficit; and there are still many loopholes in management.

In addition, in 1986 there will be no new increases in revenue due to the price floating; large and medium-sized enterprises will have their quotas of regulatory taxes reduced and will hand over depreciation charges in a comprehensive manner; there will be no big increases in revenues from the Anshan and Benxi Iron and Steel Companies, which occupy a predominant position in terms of revenues from industrial enterprises, due to their technological transformation projects; and more subsidies will be granted to small chemical fertilizer plants to make up for their losses. All these factors will certainly affect the revenues. Therefore, in arranging for the 1986 budget, we must strive to increase revenues on the premise of upholding reform, invigorating the economy, increasing production, and improving efficiency so that we can make positive and reliable arrangements for the budget. In arranging for expenditures, we should make unified planning, giving due consideration to all fields within the limits of our financial capacity; should ensure the construction of key projects, giving due consideration to ordinary projects; and should make every endeavor to practise economy in order to make the most use of our funds. We should adhere to a system in which a financial department at each level maintains responsibility for its balance between revenues and expenditures. In view of this situation, the 1986 budget calls for increasing revenues by 8.9 percent over the 1985 figure; but expenditures, 9.9 percent. The 1986 budgeted expenditures will mainly be afforded by the financial resources gained in the same year. The arrangements for the 1986 expenditures are: The subsidies to the urban residents for meat price fluctuation will increase by 90 percent over the previous year; some 50 million yuan will be allocated to state organs and administrative departments for their wage increases; allocations for culture, education, science, technology, and public health will increase by 25.5 percent over 1985, exceeding the increase in financial resources -- 23.6 percent. Of these allocations, the allocations for education will increase by 26 percent, and those for science, 27.3 percent. Expenditures on agriculture will increase by 18.8 percent; and the investment in capital construction will increase by 20.2 percent, including the 30 million yuan of investment added by the province for building the basic urban facilities.

The provincial authorities will give 10 million yuan of subsidies; the central authorities will give 30 million yuan of subsidies; and the pertinent cities will raise the amount of funds to rebuild the Liao He Grand Dam during the "Seventh 5-Year" Plan period. In addition, appropriations for administrative departments will increase by 4.9 percent over 1985. As for other expenditure items, different cities have made different arrangements with varying degrees of increases.

Gao Chenghe said: To accomplish the 1986 budget in a comprehensive manner, we must attend to the following tasks:

1. We should try every possible means to maintain a steady growth in revenue in order to ensure the overfulfillment of the budget. The most important thing is to continue the economic structural reform, give top priority to reform, and further invigorate enterprises. We should develop various forms of economic associations in order to fully exploit the superiority of enterprises and tap their potential. We should try every possible means to increase the production of those products which are readily marketable, expand commodity circulation sphere, and promote the development of the urban and rural economy, including tertiary industry. We should also open up more financial resources, strive to increase income, and vigorously raise economic efficiency. Financial and tax departments should strengthen the collection of revenues and the financial affairs of enterprises.
2. We should strengthen macroeconomic control, and continue to improve the financial and tax systems. In 1986 we should "consolidate, digest, supplement, and improve" the financial and tax structural reforms, and consolidate the achievements made in the second-step of tax reform. In 1986 we should reduce the regulatory taxes for enterprises in a planned manner, and, meanwhile, should raise the depreciation rate of enterprises' fixed assets. The depreciation funds must be spent on renewal and renovation projects and on promoting the technical progress, and should never be diverted to capital construction and welfare facilities, nor should they be used as bonuses. Encouraging and preferential policies should be implemented among plants and bases specializing in exports. We should continue to improve the industrial and commercial tax systems, and exploit the role of tax revenue as an economic lever. We should continue to uphold the financial system of "differential sharing of revenue between provincial and county authorities," further invigorate the county financial departments, and grasp the building of the financial departments at the township level.
3. We should strengthen the management of expenditures, and raise the efficiency of the utilization of funds. We should strengthen the macrocontrol and guidance over the arrangements and utilization of our financial resources, and actually spend the money on the projects urgently needed to develop economy and solve the problems of the people. We should continue to control the overly rapid growth in the fixed assets investment and the consumption funds. We should raise funds from various channels to carry out technical transformations. Investment in agriculture and intellectual resources should be increased as much as possible. Administration expenses and institutional purchases should be controlled continually. We should introduce the responsibility system for the better utilization of funds. We should strengthen the management of extra-budgetary funds. No units are allowed to establish the "small money box" besides the state budgetary and extra-budgetary funds.
4. We should step up supervision and inspection, and enforce the financial and economic disciplines.

NINGXIA'S LI XUEZHI STRESSES PARTY EDUCATION

HK080630 Yinchuan NINGXIA RIBAO in Chinese 25 Mar 86 p 1

[Report: Li Xuezhi Proposes Raising Standard Education of Regional Party Schools to New Levels"]

[Text] The third regional party school work conference concluded on 24 March, after 4 days.

The attendees at the conference earnestly studied relevant central documents during the session, exchanged experiences, and warmly discussed how to further strengthen and standardize party schools, improve and complete the party school educational system, and step up the pace of party school educational reform. Many concepts and suggestions were proposed.

Li Xuezhi, regional CPC Committee secretary, attended the conference and delivered a speech the afternoon of 24 March. Li said to properly bring up and train cadres in an important element in our being victorious in revolution and construction, and is in our party's finest tradition. Therefore, a most pressing task for party schools at all levels today is that of strengthening the bringing up and training of cadres, standardizing party school education, continuously improving the quality of cadres based on Marxism-Leninism Mao Zedong thought, and upgrading their theoretical levels and cultural attainments in order to meet the needs of socialist modernization and the requirement that cadre be revolutionary, younger in average age, better educated, and professionally more competent. Comrades of the entire regional party school system should further clarify the important role of party schools in the education of cadres during the current historical era. They should have a clear understanding of the glorious historical task falling on them, earnestly implement the relevant spirit of the central committee, be bold at exploring, continuously blaze new trials, and make new contributions to standardizing party school education and building of the two civilizations.

According to Comrade Li Xuezhi, it is necessary to improve the education of cadres in Marxist tenets and the party line, principles, and policies. Newborn things are emerging one after another in the present all-encompassing reforms and contradictions of various descriptions abound. This requires leaders at all levels to have a very strong party spirit and to maintain sober minds. They should take the whole situation into account in analyzing and handling problems, and have a good grasp of the overall entity. They must obtain true knowledge through practice and tempering in construction and reforms, and enhance their abilities. Amidst the excellent situation of opening up to the outside world and invigorating our economy, some cadres will easily lose their direction, as these are unusual times. They may lack the ability to differentiate and resist bourgeois decadence and a trend toward liberalization. Therefore, strengthening the study of Marxist theory in the course of building modernization is an important mission for the whole party. Party schools at all levels must give full play to their exemplary role in the field of Marxist theory.

Comrade Li Xuezhi said that party school education should bring forward the fine style of linking theory with practice and bring up qualified people who are both red and expert. We must pay attention to cultivating and improving the ability of our students to analyze and solve practice problems.

It is necessary that we seriously implement Deng Xiaoping's strategic concept on education and attach importance to teaching and research in party principles and policies, national conditions, regional conditions and strategic development. We must also attach importance to teaching and research in the present world political and economic conditions and trends in future development, as well as teaching and research in new subjects, new theories, and new problems emerging in the social sciences. We must break out of old teaching patterns. Our teaching methods must strive to link intensive study of original texts with research on specific topics, classroom studies with social investigation, and lectures by teachers with reports by specialists and leading cadres. Studying Marxism-Leninism-Mao Zedong Thought and strengthening the cultivation and tempering of party spirit are important characteristics which differentiate party schools from ordinary institutes of higher education. It is necessary to strengthen the tempering of party spirit and play an exemplary role in bringing forward the party's fine traditions and style.

In conclusion, Comrade Li Xuezhi stressed that party committees at all levels must attach importance to and strengthen leadership in party school work, put party school work at the top of their agenda, study and listen to reports on party school work conditions, show constant concern for the building of party schools, and support all party schools efforts aimed at making them better.

SHAANXI RIBAO STRESSES NEED TO CHERISH MASSES

HK100607 Xian Shaanxi Provincial Service in Mandarin 0200 GMT 10 Apr 86

[Text] Today's SHAANXI RIBAO carries a commentator's article entitled "It Is Essential To Have the Ideological Feeling of Warmly Cherishing the Masses." The article says: The great majority of our party members and cadres warmly cherish the people and do everything to serve them. However, there are indeed some party members and cadres who lack affection for the masses. The main expressions of this are: They regard the cause of the party and people as of little weight; they are extremely irresponsible in work; they devote themselves to pursuing private interests, and have become seriously divorced from the masses; They pay no heed to the masses' woes; they do not hate bad people and deeds and even shield bad people.

The article says: If malpractices such as corruption and embezzlement and violations of law and discipline are signs of rottenness, then becoming divorced from the masses, forgetting to pursue the people's interests, and not caring about the masses' woes are precisely the main sources of other signs of rottenness. The real danger lies in these sources.

The party committees at all levels, the whole body of party members, and the cadres must be highly vigilant in this respect and seriously strive to overcome this problem.

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